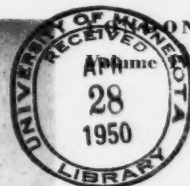


EASTERN WORLD

S.E. ASIA • FAR EAST • PACIFIC



APRIL, 1950

Number 4



Korea and Japan

by Robert T. Oliver

The Gandhi Institutions

by Pyarelal Nayyar (Delhi)

An Observation on the Communist Movement of China

by Lewis Gen (Hong Kong)

Indians in Fiji

by J. A. Kirpal

Pakistan's Rubber Manufacturing Industry

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COVER PICTURE SHOWS:

President Syngman Rhee of Korea during his recent visit to Japan. He is seen here, together with General Douglas MacArthur during the welcoming ceremonies at Haneda Airport

EASTERN WORLD

THE NEW DELHI MEETING

THE Meeting of the Prime Ministers of Pakistan and India in New Delhi, announced to take place on April 2nd, promises to be one of decisive influence in the relationship between the two dominions, a relationship which has been steadily deteriorating not only over Kashmir, but also owing to the serious disturbances in Bengal. Approximately 300,000 Hindus have left East Bengal for India within the past few weeks and about one quarter of a million Muslims have moved in the opposite direction during that period. The whole situation threatened to get out of hand, and had it not been for the remarkable restraint and wisdom of the two statesmen at the helm of both dominions, the irresponsible advocacy of military interference might have led to damage beyond repair. The hardships suffered by the unhappy refugees from both sides will no doubt make any settlement reached at high quarters more difficult to carry out in practice, but the ideals of secularity and of the protection of minorities, to which India and Pakistan adhere, are bound to triumph eventually. The task of immediate priority before the two statesmen will obviously be to devise methods for the prevention of further communal riots, of creating effective measures which will restore an atmosphere of safety and security not only in divided Bengal, but throughout the two dominions, and finally to try to make good as far as possible the great sufferings endured by the refugees. That Mr. Nehru as well as Mr. Liaquat Ali Khan are aware of this and that they uncompromisingly condemn the occurrences, is abundantly clear from their speeches. That they are determined to act cannot be better illustrated than by their decision to meet.

It is, of course, the sincere wish of everyone that this meeting will also lead to an understanding on the Kashmir question. While the two neighbours can ill afford to spend the

major portion of their budgets on this military burden, the world as a whole cannot remain without anxiety as long as this delicate question is not solved. The scene is now set for an amicable settlement. Last month the United Nations Security Council adopted a joint proposal made by the United Kingdom, the United States, Cuba and Norway, to call upon India and Pakistan to demilitarise Kashmir within five months, with the help of a U.N. representative. The objective is to prepare the ground for a plebiscite, carried out under U.N. observation, by which the Kashmiris themselves will have to decide whether they should become part of India or Pakistan. Both countries have indicated their willingness to accept this proposal, subject to certain reservations concerning its interpretation. The Kashmir dispute has naturally caused great concern within the Commonwealth, and it is understood that the United Kingdom has unofficially offered the mediating services of an elder statesman, should this be desired. The New Delhi meeting may do much to eliminate differences between India and Pakistan regarding the interpretation of the United Nations proposal, and may well herald a new era of friendship between the two neighbours.

INDONESIAN CURRENCY REFORM

THE emergency measures by the Indonesian Government, including a general moratorium and the directive that only the left half of all banknotes of five guilders value will be valid, and taken in order to reduce the enormous deficit of 2,650 million guilders, have given rise to comments that there was economic chaos in Indonesia. The fact is that Indonesia's decision to carry out this surgical financial operation is a sign that she has made up her mind to end what was, in effect, chaos and that she is determined to bring her economy on a sound footing. These steps, together with the export promotion drive (see p.41) are apt rather to increase confidence in Indonesia's stability than to reduce it. It is expected that she will be granted a loan of 250 million guilders by the Netherlands, and the U.S. and U.K. trade arrangements also promise to help

her to return speedily to the economic prosperity which is a logical consequence of her natural riches.

FAMINE IN CHINA

A FAMINE of almost unparalleled intensity is threatening the people of China. Although official announcements from Peking have not disclosed many details, the present food situation can be judged by the reports made to Communist officials at a recent administrative conference in Hankow, that millions of peasants were fleeing from their homes and selling their cattle in order to buy food. The area first affected was North China, where one disaster followed another until finally the farmers were reduced to eating their seedcorn.

The Government has shown energy and determination in trying to cope with the disaster. Relief committees have been set up in most parts of the country, while land reform in twelve provinces has been postponed.

These measures, unfortunately, can contribute very little towards alleviating distress and China's only hope lies in obtaining food supplies from elsewhere. At the time of writing, there is little prospect of this. Thailand, for instance, although announcing that she has 1,200,000 tons of surplus rice for export, has made it plain that she will not sell it either directly or indirectly to China. The U.S.S.R. as yet has made no offers of assistance, while the deep-rooted suspicion of the Chinese Communists towards the activities of various international bodies, dating from the latter's discrimination during the civil war, make it difficult for organised charities to help. The fact that the Government is showing realism in the midst of this overwhelming catastrophe should encourage a far-sighted policy of aid from the outside world. Humanitarian and ethical reasons alone should dictate such international action. In addition, it has to be borne in mind that famine is apt to have far-reaching repercussions which know neither frontiers nor iron curtains.

Believing in the freedom of the press, this journal represents a forum where articles containing many different, and often controversial, opinions are being published. They do not necessarily express the views or policy of the paper.

THE GANDHI INSTITUTIONS

by Pyarelal Nayyar (Delhi)

PROBABLY no man in India has founded and functioned through so many institutions as Gandhiji did in his non-violent struggle for independence. He described himself as a democrat to the core. He was in fact the greatest democrat of all times, since he saw humanity in God and God in humanity, which he called by the name of Daridra Narayan (God of Poverty). The former saved him from the dilemma which sometimes confronts humanists when Demos turns into Chaos and the latter saved him from the fallacy of individualism which drives men to seek peace in a cave. The independence that he envisaged and for the realisation of which he lived and died was independence not for the few, or even the many, but for all, an independence in which even the lowliest and the weakest would have the same measure of freedom and fruits of freedom as the physically strongest.

Historically, the four-fold constructive programme, which constituted the foundations of the Gandhi institutions was inaugurated as a part of the non-violent non-co-operation programme launched by Gandhiji in 1919. It was its positive aspect.

The first in order of birth was the All India Spinners' Association. It enabled Gandhiji's followers to take the message of love, fellow-feeling, unity and freedom to the illiterate toiling masses in a living and concrete form. By enabling the hungry to fill themselves by their own effort, it gave a content and meaning to the message of freedom which they could easily understand and appreciate. It removed their inertia and feeling of helplessness. Coupled with the boycott of foreign cloth and English goods, it cut the biggest single hole in the economic exploitation of the country, which was the strongest motive for the continuation of the Imperialist hold on India. Organisationally, the All India Spinners' Association constituted the biggest, voluntary co-operative society in the world, representing a capital of nearly ten lakhs (Rs 1 million) with an out-turn during the eighteen months ending June 30, 1942 of Rs. 12,002,430 worth of cloth. Besides, it knit together in a common endeavour 3,024,391 spinners and 354,257 artisans spread over 15,010 villages of India. The total wage bill distributed to the artisans through the association during the last eighteen years of its existence was Rs. 46,030,081.

Charkha Sangh. The All India Spinners' Association, passed through various phases. In the first, the emphasis was on the awakening of mass consciousness and the political aspect symbolised in the boycott of foreign cloth. In the second phase, the emphasis shifted to the realisation of the ideal of social justice through the introduction of the standard minimum subsistence wage. The experiment scored a striking, though limited, success.

The third phase began after the release of Gandhiji from the Aga Khan Palace in 1944. It resulted from the discovery that during the "Quit India" struggle, *Khadi*¹

had failed to discharge adequately the role which Gandhiji had envisaged for it. Instead of providing an invulnerable shield against governmental violence, it itself fell a victim to it; instead of serving as an instrument for moulding political conditions, it had become dependent upon those political conditions for its survival and growth. Where lay the fault? Gandhiji's diagnosis was that it lay in the centralised organisation of the All India Spinners' Association, but principally in the workers who had allowed the slogan of more production to overshadow the ideal of non-violence which *Khadi* was intended to symbolise. As a remedy for unemployment, it was just one (perhaps the most important) out of a multitude of economic activities. That did not interest him sufficiently. As a symbol and harbinger of a non-violent social order, it was the only ideal worthy of his life's endeavour. If it was to fulfill that roll, *Khadi* workers had to symbolise non-violence in their lives.

In pursuance of this ideal, the scope and character of the All India Spinners' Association was completely altered. Hereafter, it was to go out of production and become a body purely for technical research which would guide and give advice and exercise a moral check; in short, become a custodian of *Khadi* ideals and a laboratory for their development for giving effect to them.

It was decided that instead of functioning as a centralised organisation, the All India Spinners' Association would disperse itself among the 700,000 villages of India with the ideal of one worker per village or small unit of villages. They would be given an initial stock of appliances, raw material and a subsistence allowance for a limited period on a declining scale, after which they would have to become self-sufficient. By their capacity and spirit of service they were to win the recognition and co-operation of the villagers, who would learn to regard their (the *Khadi* workers') endeavour as their own joint enterprise and provide the necessary finance. Since then, several provinces, notably U.P. and Bihar have become autonomous of the centre and have been trying to work out the ideal of *Khadi* in their own way.

*Harijan Sewak Sangh*² had its birth as a sequel to the Yeravda Pact fast³. As early as 1920, soon after I joined Gandhiji, he once remarked to members of a deputation in an argument to persuade them to give to the removal of untouchability the first place in their political programme. "You do not know who it is you are pitted against. The moment they (the Britishers) find that this game of setting up the Hindus against the Muslims is played out, they will use the 'suppressed classes' to further their policy of 'Divide and Rule'." Very few people at that time realised the magnitude of the menace. On the contrary, they feared that to take up the programme of social reform

² Organisation for the service to untouchables.

³ The fast undertaken by Gandhi in Yeravda prison for the removal of separate electorates for the untouchables.

¹ Hand-spun and hand-woven cloth.



Gandhiji collecting funds for the Harijans from the train

at that stage would disrupt the united political front against the foreigner. Ten years later that warning was completely vindicated when, at the second Indian Round Table Conference, the Scheduled Castes' representative, under the instigation of the British India Office, joined hands with the Muslims and the signing of the "Minorities Pact" became the main stumbling block in the way of the freedom struggle. Separate electorates for Hindus, Muslims and Sikhs and others were decided upon by the British rulers. This was bound to keep the people apart so that they could not present a strong united front to the outsider. But the separate representation of the Scheduled Castes conceded by the British Prime Minister constituted not only a new threat to the freedom struggle, but to the integrity of Hindu society itself and Gandhiji had to undertake a fast unto death to undo it and purge Hindu society of the canker that was eating into its vitals. *Harijan Sewak Sangh*, founded while he was still in prison, to implement in the letter and spirit the pledge to eradicate untouchability, root and branch, was described by him as a "society of penitents." And since the sinners were *Savarna* (higher caste) Hindus, its executive was drawn from their ranks alone. Harijans had no place on it and at that time it puzzled many who did not realise that its function was to discharge a debt through expiatory service, not to claim a privilege or confer a favour. Its activity under Gandhiji's inspiring guidance took the form of a crusade for the removal of legal and social disabilities against the Harijans through political action and through the education of *Savarna* Hindu opinion on the one hand, and of ameliorating and educating the Harijans themselves on the other to make up the lag caused by centuries of suppression. Its membership was open to all *Savarna* Hindus, who subscribed to its goal and eschewed politics.

To finance the Harijan activity, apart from the donations earmarked for Harijan work which came to him, Gandhiji, as a token of the passion that filled his soul, donated to it the proceeds of his autograph fees and the "beggar's bowl" collections during his railway journeys and at the prayer gatherings, which amounted annually to Rs.20,000. It was not the amount collected, however, that really mattered, but the education of the mass mind which went with it. And today, though he is no longer in our midst in the flesh, his spirit continues to work and contributions continue to be dropped into the collection box at Rajghat⁴ for the Harijan cause.

In none of Gandhiji's movements were the results so striking and spectacular as in the case of the crusade against untouchability. It is not without significance that the Harijan question never again figured as a major political issue at any subsequent stage in the Indian struggle for freedom.

In less than twenty years after the inception of the *Harijan Sewak Sangh*, legal abolition of untouchability has been achieved. But it has to go lock, stock and barrel from the hearts and consciousness of the masses before independence can become a reality and that is still a far cry indeed.

Third in order of birth was the All India Village Industries' Association. It was only a corollary to the All India Spinners' Association and sprang from the realisation that spinning by itself could not exist apart from other village crafts and the economic order of which the cottage crafts and the village industries were an integral part, just as village crafts could not continue without *Khadi*, which was to them like the central Sun to the various planets in the solar system, revolving round and deriving life-giving warmth from it. As in his other programmes, so in his *Gram Udyog* village industries programme, Gandhiji concentrated attention in the first instance on three or four universal occupations related to the basic needs of the millions, i.e., oil pressing, rice husking, *gur* (brown sugar making), *chahki* (grinding stone worked by hand), etc. (the foundation, of course, being agriculture and animal husbandry) thus linking it up with the vital question of health in which everybody is interested. In practice, however, its existence was vindicated less in the field of organising production than in wresting recognition for its ideologies from the intelligentsia and those in whose hands lay the shaping of the economic policies of the country.

In a country like India where agriculture and health of the soil depend upon the maintenance of a proper balance between the cattle population and humans inhabiting it, preservation and development of the cattle wealth becomes a basic need. Recent advances in agronomy have brought an increasing realisation of the importance of the "Law of Return," i.e., the necessity of returning all animal and vegetable refuse back into the soil, for the building up of soil fertility. To make cattle-keeping economical, there are only two ways—either to eat their flesh or to use them in a multipurposes way, for providing milk and butter, and motive power for agriculture and cottage industries and by utilising their carcasses to cover the cost of their mainten-

⁴ The river bank where Gandhi was cremated.

ance when they go dry or become sick and decrepit. The latter is the only way in a country where to crores beef is taboo. Yet, by a strange irony, nowhere else in the world are the cattle worse treated or in a more pitiable plight than in the predominantly agricultural, cow-worshipping and non-flesh-eating Hindu India. *Go Sewa Sangh* (Society for the Service of the Cow) was founded by Gandhiji to show how the Indian people could save the cow and make it really the mother of plenty that she is, without the use of coercion and without trespassing upon the freedom of those whose religion does not forbid cow slaughter. Religiously, cow protection being symbolical of the extension of the law of non-violence to the sub-human creation, to achieve it by means other than non-violence would be a contradiction in terms. Through an elaborate programme of reform, by improving the breed of cattle and utilisation of the carcasses of dead cattle, Gandhiji's plan was to make cow protection an economic proposition and to demonstrate once more the soundness of the maxim that what is good ethics is good economics too.

The last to come into being were the *Talimi Sangh* (Basic education) and the Kasturba Memorial Trust. The latter aimed at the upliftment and emancipation of women, especially in India's villages. Thanks to the programme of *Satyagraha* that India adopted for the attainment of independence, women were able to take an equal part with the men, if not even more, in the struggle for independence. To release and make available for nation-building activities the talent, energy and spiritual strength of one half (and better half at that) of our population that today lies dormant owing to the effects of age-old subjection, is the first requisite for the realisation of the dream of non-violent *Swaraj* (Self rule). That was the role that Gandhiji envisaged for the Kasturba Memorial Trust which is formed almost entirely by women.

The *Hindustani Talimi Sangh* was to be the complex of all previous organisations which Gandhiji had brought into being and its ambit included the activities of all these *Sanghas*, since its field was the whole education of man from conception to death. In its technique it made the most revolutionary departure from the orthodox systems of education. It aimed at imparting the whole education of man, and to train the physical, mental and spiritual faculties, through the intelligent practice of a basic craft.

But before one can formulate a system of education, one has to have before himself a clear picture of the way of life into which he wants to educate a people. What was the way of life, the pattern of society, which Gandhiji had set out to realise through his various institutions? It was a decentralised social order based on the principles of bread labour and maximum individual freedom, local self-sufficiency and co-operative way of living; a society in which everybody would have an equal opportunity and the means to live the full span of life in health, peace and contentment by the honest sweat of his brow, through intelligent, artistic, creative work under agreeable conditions so that the work would be a joy and a recreation. He might lack some of the "toys of civilisation," gaudy attractions of city life, but variety in occupations and the joy of intelligent, creative activity would more than compensate him for it. There would be centralised, heavy, key industries, but surely not adequate to the building up of a mighty "war potential."

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Nai Talim (new education) is essentially an instrument for the realisation of a non-violent order of society. At its core is the ideal of *Ahimsa* (Non-violence or love).

A few characteristics which are common to all of Gandhiji's institutions may be noted here. Firstly, the various institutions founded by Gandhiji had the imprimatur and sanction of the Congress but functioned autonomously of the Congress. Secondly, they were instruments for the building up of democracy, but they were not democratic in their constitution in the sense that their executives were not elected by the popular vote. A reformer and a pioneer cannot afford to be democratic in the sense of following majority decisions—his function is to educate, to lead. Thirdly, whilst they all had their separate funds, the funds were intended to be spent away and not to be hoarded to enable the institutions concerned to live on interest. They were to vindicate their existence by the service they rendered. This served to remove the contradiction noted above between their purpose and constitution and gave to them a truly democratic character in spite of their "undemocratic" constitutions. If they did not cater to a felt need, or failed to win public confidence, public support would dry up and they would be forced either to close up or reform. They would never stagnate.

Primarily meant as the means for the attainment of independence, their function continues today as instruments for the realisation of the contents of independence. Gandhiji had come to the conclusion that non-violence could not capture political power without contradicting itself, but it could guide political power and purify it of abuse by the forging of non-violent sanctions.

GLIMPSES OF KASHMIR

by Mir Bashir



A view of Shrinagar, capital of Kashmir

KASHMIR is popularly believed to be a dreamland of artistic leisure. There is a haunting quality in its loveliness. The name is said to have originated from a love legend of fairyland: Kasho, a djin, and Mir, a lovely fairy, who in days gone by fell in love with one another, still live in happy seclusion in some unknown beauty spot, on top of one of the hillocks around Srinagar, the capital of Kashmir. This valley of lakes, flowers and tall coniferous *chinar* and poplar trees, is named after them.

Kashmir State encloses in its boundaries a large area and several subsidiary states are annexed to it. But Kashmir proper is a saucer-shaped valley about 84 miles long and between 20 to 25 miles wide, with an average mean height of 5,600 feet above sea level. Its frontiers on the eastern side meet Tibet and China; in the north Chinese Turkestan and the U.S.S.R., and in the north-west Afghanistan. Pakistan is on both its north-western and its southern frontiers.

Muslims form the bulk of the population. Poverty-stricken in the main, this extremely handsome race lives in rickety wooden houses in filth and ignorance, perpetually on the edge of starvation, but capable of great endurance and physical labour. There is a sprinkling of Hindus, too, mainly Brahmins, who have been occupying key positions in the machinery of the Government for centuries. They are handsome, clever and adaptable. Their women are noted for charm and beauty. Until recent years, the traffic in Kashmiri women was unfortunately unchecked, but since the general political awakening it has died out.

As a rule, the people are inclined to be dirty. Men and women all wear a typical long robe with large folds hanging loosely around the body down to the feet. Women try to give it a feminine touch with the aid of a few odd colourful patches of quaint shapes just below the loose oval-rimmed neck. This strange all-over garment is known as a *Phiran*. A large square piece of cloth folded like a triangle is the popular headwear for women, and a conical cotton cap.

tightly fitting, is commonly worn by men. Somewhat richer people wear a turban. Sandals woven from jute twine are the popular footwear, but better class Kashmiris go about in coarse-looking leather shoes. During the autumn and winter months all Kashmiris use a strangely shaped earthen bowl set in a wicker basket, heaped up with live charcoal and kept near the stomach inside conveniently loose *Phirans*. This is their very individual heating system, and no home is without it. This is called *Kangri* and wherever a Kashmiri goes this goes too.

Kashmir has its own language in which Persian influence predominates. Ghani Kashmiri, a name immortal in the history of Persian poetry, is their contribution to Persian literature. As a race Kashmiris are lovers of music and poetry. The quality of their music is extremely poor; but their poetry is real. Their present favourite is a young man who writes under the pseudonym of "Mahjoor," which means the forlorn lover.

The form of enjoyment of music-cum-poetry is romantic. At sundown in spring and summer small parties cluster around a tall *chinar* tree, on the lakeside or on the bank of the Jhelum river, near their houseboats. Someone with a flair for music starts singing a love-lyric while others listen. After him someone else takes up another romantic theme, and so the entertainment goes on for hours on end. Cups of Kashmiri tea—a special brand of their own—incessantly go round from the boiling *Samovars* in the centre of the circle. These are essentially men's parties and women do not seem to participate in such artistic pursuits, though one can see them on the fringes of the circle quietly listening and gossiping in hushed tones.

Rice is the national food; wheat is rarely favoured. The life of an average Kashmiri is a continuous struggle for existence and he can hardly afford to add even a semblance of savouries or delicacies to his daily menu. Boiled rice and a soupy curry or an almost tasteless preparation of turnips or spinach form his two meals a day.



Typical Kashmiri craftsman: a silversmith heats silver with a blowpipe



A tapestry worker in Srinagar

A species of lentils cooked in the form of a curry is also favoured at times. Muslims as well as Brahmins are all non-vegetarians. Although beef for the Hindus and bacon and ham to the Muslims are forbidden, fowl, fish, mutton and other varieties of meat are appreciated.

Agricultural pursuits and fruit-growing are the chief occupations of rural areas. Weaving of *Puttoo*, a coarse variety of woollen cloth, and of rough blankets occupy a number of villagers. But an urban Kashmiri is an artist by nature. He is a deft painter and clever in the craft of wood-carving. He is skilled in patiently creating artistic designs in a hundred and one ways. He manufactures many useful articles in papier mâché in a variety of shades and designs. Colourful rugs and carpets, finely textured and delicately embroidered shawls and tapestries are other articles of his skilled manufacture. His ivory work, necklaces, rings, bangles and statuettes are also remarkable. And despite his fastidious taste in the choice and creation of things of beauty, he markets them at very nominal prices and can hardly make a handsome living from it. With the advent of autumn he begins to settle down to his work, and when the spring draws holiday-makers to the valley he loads the fruits of his long winter nights in his small *Shikara*, the street barrow of the waterways of Kashmir, and goes around the lakes, riverways and streams to vend his wares from houseboat to houseboat. His is a hard lot, and if he fails to earn enough on his merchandise, winter provisions are almost impossible for him. He lives on what he gets during the sunny days of spring and the warm summer.

Kashmiris, irrespective of their religion or creed, are inclined to believe in the spiritual values of life rather than in the material ones. Mysticism and occult beliefs are common. They believe in the existence of fairies, ghosts, poltergeists and other such phenomena. They also believe in the harmful devices of witches and are very apprehensive of black magic. Faith healing, too, is a common belief and they often take their ailing relatives to the mosque for a healing breath of holiness or to some sacred tomb for spirit healing. They have an immense faith in prayers and often seek Divine help in this way. Though uneducated, they yet have a great share of common sense and are practical.

Their artistic and sensitive nature is perhaps responsible for the superstitious streak in them. Kashmiri saints and spiritual leaders are known all over India. They have large numbers of followers both in the valley and in the plains of the Punjab and the neighbouring provinces. These leaders of faith are known among the Muslims as *Pirs* and among the Hindus as *Gurus*. They are, as a rule, good men, holy and pious in their ways of life, and are supposed to possess great spiritual powers. Many a miraculous happening is attributed to their holy lives.

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THE STRUGGLE IN BURMA

by Austin de Silva

THE biggest problem that the Union Government of Burma faces today is the problem of the rebels. They operate principally in inaccessible terrain, and their presence would have been forgotten by the present Government but for the fact that they have unbalanced the equilibrium which Thakin Nu, the Premier, and his Cabinet are constantly trying to uphold.

Each group of insurgents is identified by the initial letters of the political party to which it belongs. Constant usage has made these abbreviations household words in Burma, but to an outsider the large number in use amuse rather than bewilder.

There are, for instance, the P.V.O. (People's Volunteer Organisation), divided into White Band P.V.O. and the Red Band P.V.O.; the K.N.D.O. (Karen National Defence Organisation) and the M.N.D.O. (Mon National Defence Organisation); Communists divided into Red Flag (Trotskyites) and White Flag (Stalinists); Army Mutineers; Ministerial Service Union; Socialists; Karen Youth Organisation; All Burma Youth League; and the United Hill People's Congress.

Most of these parties sprang up after the assassination of General Aung San, who had welded the different elements in Burma together as no other man had done before. One of the most powerful insurgent parties is that of the Karens, a sturdy, fighting mountain race, many of whom have been converted to Christianity by the American Baptist Mission. They are insisting on a separate Karen State, and their representatives even went to London hoping that Whitehall would help them to achieve this.

The Communists, led by Thakin Than Tun who was the first Secretary-General of the A.F.P.F.L., the party founded by General Aung San, were the first in the field to adopt the policy of wrecking the A.F.P.F.L. by force. The Communists' policy is to seize power by force of arms, to expropriate all foreign concerns, distribute agricultural lands to cultivators, and set up a People's Democratic Republic.

The Government is strong enough to fight the insurgents, but the difficulty is that the rebels are most elusive. In Rangoon a few days ago, a message was received by the authorities that a party of insurgents had occupied a village in the Chin hills. The Government despatched a force to oust them, but by the time it reached the village, the insurgents had destroyed what they could, taken away as loot as much as they were able to carry, and had repaired to another pocket in the hills.

It is this guerilla nature of the hostilities that constitutes the toughest problem for the authorities. North Burma, especially the Chin hills, has ideal spots for guerilla warfare which the Burmans learned first from the Japanese and later from the British. They are exploiting this knowledge now to their own detriment and to that of the Government in power.

This has resulted in great damage being done to crops

and transport systems by these marauding insurgents. The railway system in the country, for instance, has been paralysed. The six-hundred-mile long Rangoon-Mandalay Railway now runs only on a section near Rangoon and on a section near Mandalay, leaving a blank in the middle.

A review of the damage done indicates that since insurgent troubles in Burma began, up to last year, Rs.36,000,000 worth of public property such as buildings, bridges and railways, has been totally destroyed. Over Rs.12,500,000 of public money have been looted from public treasuries in the country, and over Rs.200,000,000 in general revenue and income have been lost. Not less than 30,000 persons must have lost their lives as a result of the insurrections.

In view of these disturbances, rice and other necessary commodities have to be brought to Rangoon by air for marketing and local consumption. Large air carriers are being employed by the Government to transport these commodities from North and Central Burma. Prices have, therefore, shot up fabulously and the cost of living index continues to rise.

No progress has been made either in agriculture or industry or in the field of economy in the last few years. Burma's chief sources of revenue are rice, timber, oil and minerals. Timber, which is worked in the up-country areas, gives but a fraction of the pre-war income as insurgent pockets prevent their exploitation. The oil industry, which was in British hands, is now partially neglected although there is a move to nationalise it. Mineral resources are in the same plight. Only rice, which is chiefly grown in Lower Burma, remains the principal source of revenue in the country today. The harvest is just being reaped, but the difficulty confronting the Government is the problem of conveying it to exporting ports like Rangoon and Bassein since transport is being constantly interrupted. There is, however, an estimated surplus of 800,000 tons of rice this year, which the Government is making an effort to sell. In this connection U Thet Su, Chairman of the Burma Rice Marketing Board, left for Japan a few weeks ago and succeeded in selling to that country 170,000 tons, making a total of 194,000 tons with the previous quota agreed to be supplied. An endeavour is being made to dispose of the surplus in places like Aden, Mauritius, Ceylon and parts of India.

Burma hopes to sell this year 400,000 tons of rice to Ceylon, but the price factor has proved a hindrance. Burma is demanding £40 a ton as against £38 previously accepted.

In the course of a talk on this subject with a member of the Burma Rice Marketing Board, I pointed out that the price demanded was too high. He replied that if we only understood the plight of his country, the extra £2 would not be grudged. The rehabilitation of Burma depended entirely on the sale of rice, and that was why they wanted a little more.

THE INTERPLAY OF CHINESE SECRET AND POLITICAL SOCIETIES IN MALAYA (2)

by W. L. Blythe (Singapore)

AT the time of the fall of Singapore in February, 1942, the general Chinese picture in Malaya was as follows: the Triad groups, though deep-rooted in Chinese tradition, and though they had set the pattern for subsequent secret organisation of later political groups (Kuomintang and Communist), had largely lost their influence. The political urge, insofar as it was of any potency within the Triad Societies, had disappeared with the overthrow of the Manchus in China in 1911. The criminal activities of the Societies were dealt with by police action. The Kuomintang had a widespread influence among Chinese merchants, shopkeepers and schoolchildren throughout Malaya, an influence which was kept alive by a constant stream of propagandists and teachers from China, intent upon maintaining the spirit of Chinese Nationalism among Chinese in Malaya. Kuomintang elements, as well as Communist elements, joined the Chinese Mobilisation Committee which was formed shortly before the fall of Singapore to promote Chinese resistance to the Japanese. The Malayan Communist Party had reached a position of considerable influence among the labourers. This particularly affected Chinese labour, but although the secret direction of the Party was purely Chinese, the activities of its "open" labour also included other races and affected Indian labour. The Party was influential in some Chinese Middle Schools. It was antagonistic to the Kuomintang, but, as in China, was prepared outwardly to call a truce for the sole purpose of resisting the Japanese, while secretly hoping to penetrate and dominate all anti-Japanese organisations and to seduce Kuomintang adherents.

The occupation of Malaya by the Japanese changed the picture but little. The Japanese were certainly anti-Communist, they were equally anti-Kuomintang, and they were also anti-Triad. As a result, Triad did not emerge; the Communists took to the jungle and formed the Malayan Peoples' Anti-Japanese Army (M.P.A.J.A.); Kuomintang members, as a rule, kept to their shops, although there was also a band of Kuomintang guerrillas, the Malayan Overseas Chinese Self-Defence Army (M.O.C.S.D.A.) in the jungle, at daggers drawn with the M.P.A.J.A. British officers from a unit known as Force 136 were sent into Malaya by submarine and parachute to act as liaison officers with the M.P.A.J.A., and arms and supplies were furnished by air.

Despite constant betrayals by its own members, the Malayan Communist Party maintained its Party discipline and its secret Party organisation, and finally, in the interval between the surrender of Japan in August, 1945, and the arrival of British troops in Malaya in September, 1945, the M.P.A.J.A., an armed and organised body, came out of hiding and took over control in many areas of Malaya. It received a warm welcome from the mass of Chinese inhabitants, as did all other resistance movements in liberated

territories throughout the world. Its immediate elimination of collaborators was to be expected, but again, as elsewhere in the world, there were differing opinions as to the degree of collaboration, and the Chinese populace began to have misgivings under this new rule of the Sten gun and the arbitrary confiscations carried out by the jungle heroes. In a very short time, certainly among the shop-keeper class which forms a quite considerable section of the Chinese in Malaya, and which was largely composed of Kuomintang sympathisers, a good deal of the initial goodwill was dissipated. To the Malays, the assumption of control and the manner in which it was exercised by the Chinese Communist forces, was most unwelcome, and this antipathy found its outlet in several serious clashes between Malays and Chinese.

In December, 1945, the M.P.A.J.A. and the M.O.C.S.D.A. agreed to disband, and to hand in their arms. The M.P.A.J.A. disbanded and was paid off, and members formed themselves into an Ex-Service Comrades Association. Although the M.P.A.J.A. handed in arms (a scale of payment was worked out for each different type), it was known that quantities of arms which were not handed in still existed in the jungle. The M.O.C.S.D.A. (Kuomintang guerrillas) neither disbanded nor surrendered their arms. At the last moment a hitch occurred, and the members remained as an armed force in the jungle, levying toll on villages in North Perak for their support. In April, 1949, more than three years later, 87 members out of an estimated total of several hundreds gave themselves up.

At the time of the Japanese surrender the M.P.A.J.A. set up a headquarters in every town and village. Usually a shop-house was commandeered for this purpose, and a red-painted signboard bearing the Communist emblem was erected. From this headquarters the town or village was controlled. When the M.P.A.J.A. disbanded, this headquarters housed the Ex-Service Association and the various Communist Associations, the New Democratic Youth League, the Women's Associations, and the Labour Unions. In various towns People's Committees were formed as the controlling authorities. It may be noticed that although originally stemming from China, the Malayan Communist Party has, in recent years, and particularly during the Japanese Occupation, attracted to its membership numbers of Malayan-born Chinese. Thus, after the war, it claimed with some truth that it was a Malayan organisation and not the tool of Communists in China. The isolation of Malaya during the war, and the difficulty of communications between Malaya and Communist China until very recently, may sufficiently explain this detachment. There are signs, however, that this may not continue.

After the arrival of the British forces, there was, on the Kuomintang "front", immediate and amazing activity, the intensity of which was heightened by the emergence of

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China as a Great Power, an Allied victor of the war. Emissaries were flown in from China, branches of the Kuomintang were rapidly established, and the San Min Chu Yi Youth Corps was re-established with remarkable enthusiasm. In every town and sizeable village a headquarters was set up as near as possible to the Communist headquarters, but with the blue and white Chinese Nationalist emblem. These activities were supported by the shopkeepers who were finding the weight of Communist extortion more than they could bear. The stage was thus set for a struggle between the Communists and the Kuomintang. Clashes between the New Democratic Youth League (Communist) and the San Min Chu Yi Youth Corps (Kuomintang) did, in fact, take place.

We must now glance at the Triad position after the war. Immediately after the Liberation in 1945, the announcement was made in the Malayan Union (now the Federation of Malaya) that the law governing the registration of Societies would not be reintroduced. Almost at once a Triad Society, styled the Ang Bin Hoay, emerged in Penang, with traditional Triad ritual, which still includes the slogan "Overthrow the Ch'ing (Manchu Dynasty) and restore the Ming (Chinese Dynasty)." The Ang Bin Hoay recruited thousands of members, initiated by the traditional ceremony, and participated in the traditional Triad activities of intimidation, extortion, "protection" and piracy. From Penang in the North, the growth of Triad Societies under various names spread rapidly to Kedah, Perak, Selangor, Johore, and finally to Singapore, and the rapidity with which this recrudescence of Triad spread is an indication of the deep-rooted nature of the Triad concept throughout the Chinese community in Malaya. That its first manifestation should be at Penang is again significant, for Penang, the first British Settlement in Malaya, and therefore the first focus of early Chinese immigration, was, in the bad old days, a noted Triad stronghold. There is some evidence that on the foundation of the Ang Bin Hoay at Penang towards the end of 1945 a few of the tougher ex-M.P.A.J.A. elements from Penang and North Perak were included in its membership, but this association of rival racketeers did not persist, and before long the Triad group was openly and avowedly opposed to the Malayan Communist Party, thus drawing into its membership Chinese shopkeepers seeking protection against the demands of the M.C.P. This again led to progressively closer connection with the Kuomintang organisations, until it became apparent that Triad "toughs" were being used in the Kuomintang's struggle with the M.C.P. In the notoriously Communist fishing island of Pangkor, Perak, the Chinese shopkeepers formed a Triad branch under cover of their social club, to defend themselves against the Communist fishermen. Similar tactics were widely employed throughout North Malaya, and brutal murders of Communists by Triad members, and of Triad adherents by Communists took place. The Government of the Malayan Union soon recognised that an uncurbed expansion of Triad would mean gangster rule throughout the country. The pre-war outlawry of Triad Societies was reintroduced. Throughout 1946, the reorganised police force was becoming increasingly effective, and was able to undertake an offensive against the rising tide of Triad with considerable success, and with a consequent diminution of the Triad threat to the community in general.

One further interesting development of Triad is worthy of notice. The post-war resurgence of Triad in Malaya was a local movement. The appearance of Triad in Chinese communities overseas may be likened to the appearance of weeds in a garden. If the garden is uncared for, the weeds spring up in various places, each patch having no apparent connection with the others though containing the same weeds. But in 1946, an attempt was made in China to form a political party to comprise Triad groups throughout the world. The originator of this idea was one Sz Tho Mei Tong, a Chinese from San Francisco who, in August, 1946, founded this new party at Shanghai. In America he had been a member of the Chi Kung Tong (Achieve Justice Society), a Triad organisation which at the beginning of the century had given support to Dr. Sun's revolutionary movement, but which, in more recent years, had shown no love for the dictatorship of the Kuomintang. The new Party was known as the China Triad Democracy Party, and shortly after its foundation evidences of its penetration to Malaya were found. Articles in the Chinese Press described the history and aims of the society. Among these latter were the cessation of hostilities in China and the abolition of one-Party government in China. It was evidently the intention of the Party to join in the scramble for seats in the Chinese National Assembly, but dissension within the Party itself led to its disintegration. For many years there has been a branch of the Chi Kung Tong in the territory now known as the Federation of Malaya. It claims that it is not Triad, and that it was not interested in the Triad Democracy Party. It received its "charter" from the Chi Kung Tong in Hong Kong, and, like it, has



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split into two factions, a right group with Kuomintang leanings, and a left group with Communist leanings. In 1947 an attempt was made to introduce the Triad Democracy Party in Singapore, with the intention of uniting all Triad elements, but as the pre-war legal prohibition of Triad was still in force, no progress was made.

During 1947 the Malayan Communist Party took stock of its position. It had hoped, after the war, to obtain increasing control throughout Malaya. Representatives of the Party had been nominated to the Advisory Councils, which, in the period of the British Military Administration (September, 1945, to March, 1946) performed the functions of Legislative Councils. But the stubbornness of the Communist members on these Councils discredited the Party both in the eyes of Government and of the public. The Communist technique of non-co-operation and non-compromise, now so familiar at international conferences, was clearly apparent in these early attempts of the Administration to include representation of the Party in the highest legislative assemblies.

In February, 1946, an attempt to stage a monster demonstration against the Government, led to the arrest of a number of the Party's more prominent members, including some ex-M.P.A.J.A. leaders, which further weakened the Party's position. By 1947, the Party was rapidly losing ground. Throughout Malaya it was faced by a swiftly-expanding Kuomintang, no longer fettered by pre-war restrictions, coupled with a virile Youth Movement, and backed by the strong arm of Triad. There had been a rapid improvement in the country's economic position. Despite the long drawn out constitutional quarrel between the Malays and the British which eventually led, in February, 1948, to the substitution of the Federation of Malaya for the Malayan Union, the Communist Party was making but little headway with the Malays. Party funds were dwindling, Party activities throughout the labour unions were being unmasked, and the more active members were becoming increasingly critical of the policy pursued by their leaders, a policy which appeared to lead to no progress in the fortunes of the Party. Eventually changes in leadership were effected, and in March, 1948, a decision was taken to re-embolden the M.P.A.J.A., organise jungle camps, and embark upon armed revolt. As an introduction to this, instructions were given for an immediate intensification of strikes at rubber factories, incendiaryism, strikes among Harbour Board labourers, and the throwing of grenades. The Armed Struggle had begun.

In April, 1948, a campaign of murder started, directed mainly against Kuomintang members (shopkeepers, school-teachers, and labour headmen), but also extending to European managers of rubber estates and tin mines. From then onwards the struggle has continued through various phases. But from documents recently captured, and from the interrogation of prisoners, it is evident that members of the Party are again in a state of perplexity. They realise that their bid for power has failed, and that after two years of armed struggle they have not, either by terrorism or by persuasion, prevailed upon the populace in general to support their armed rising. In an endeavour to extend their influence among the people, half-hearted attempts have recently been made by members of the Party to woo Triad elements in North Malaya, putting forward the proposition that as the fundamental tenet of

Triad is opposition to foreign (non-Chinese) rule, and as the M.C.P. is now opposing British control in Malaya, Triad should join up with the M.C.P. It is clear, however, that the Party does not regard Triad as of any ideological value to the cause of Communism, and that it mistrusts Triad as a former enemy and probable rival. One Communist document states that "Secret societies (Triad) are organisations of robbers. They have no definite aims and no political beliefs. They are a class of selfish individuals." The Communist Party may hope to attract some of the Triad gangsters with their weapons to add to the forces of disorder, and it is probable that in individual cases it will be successful, but there is no indication of co-operation by Triad as an organisation.

The position in Malaya may be briefly summarised as follows: The present disturbances are the direct result of the decision of the M.C.P. to embark upon an armed struggle against the governments in Malaya, a decision reached in March, 1948. The Malayan Communist Party had hoped, on the collapse of Japan, to take over and maintain control in Malaya. It found itself faced in the first instance with the British Military Administration, which though attempting to co-operate with the Party showed no signs of handing over the reins of government. During this period no restriction was placed on the organisation of societies or associations, and two powerful influences, Triad and Kuomintang, spread rapidly throughout the country, each competing with the Communists for control, and both being anti-Communist. Large sections of the population, having experienced Communist control during the period between the collapse of Japan and the re-entry by the British, were in no mood to support the Communists when alternative pressure groups appeared. The attempt by the Malayan Communist Party to dislocate the life of the country by the control of labour through the Pan-Malayan Federation of Trade Unions eventually failed when the authorities refused to recognise this Federation and took active steps against the terrorists within the Unions. Frustrated on all sides, the Party turned to armed revolt, directed not only against the Governments, but also against their enemies, the Kuomintang. One result of the outbreak has been that in July, 1948, the Malayan Communist Party was banned both in the Federation of Malaya and in Singapore, while the Kuomintang has recently been required to revert to its pre-war status.

An important development in post-war Malaya has been the growth of a nationalist consciousness among the Malays, and it is essential to the peace and happiness of the country that a reconciliation between the political aspirations of the Malays and those of the locally domiciled Chinese shall be achieved. It is extremely unfortunate that the present disturbances which, though mainly of Chinese origin, are supported by only a fraction of the local Chinese population should have tended to widen the gulf between the two communities. The decision of the United Malay Nationalist Party to admit to associate-membership people of non-Malay race who regard Malaya as their home and as the object of their undivided loyalty, and the formation among the Chinese of the Malayan Chinese Association, are pointers towards the creation of a Malayan consciousness as distinct from a racial consciousness, and it is on the success of such efforts that the future peace of Malaya depends.

AN OBSERVATION ON THE COMMUNIST MOVEMENT OF CHINA

by Lewis Gen (Hong Kong)

THE Chinese Communist movement has a history of about thirty years and, looking back over the origin and growth of this extraordinary phenomenon, one cannot help comparing it with the miraculous spreading of the early Christian movement. It started with a handful of college students who, disgusted with the shameful misrule of the warlords and stirred up by the success of the Russian Revolution, organised themselves for the study of a new culture. This soon came to the notice of the Russians, who invited a sufficient number of such high aspiring young men to Moscow, gave them a thorough training in the Marx-Lenin doctrine and then sent them back to China to build up an organisation. This movement spread so fast among the intellectual class that by 1924 Dr. Sun Yat-Sen, the founder of the Kuomintang (K.M.T.), already thought it advisable to take in the Chinese Communist Party as his ally. This, of course, gave them a further exceptional opportunity for expansion, for the Communists soon infiltrated into every branch of the K.M.T. and won over many of the latter's progressive elements to Communism.

Undoubtedly the rapid success of the so-called North Expedition of 1927 under the leadership of Chiang Kai-shek was greatly due to the driving power and propaganda of the Communists. This caused so much alarm to the Generalissimo that no sooner had he set up his headquarters in Nanking than he began to take drastic measures against Communists and to send away all the Russian advisers. After this, the Communist political agents went quickly underground, and those who were already in command of Chiang's troops, anticipating wholesale dismissal, immediately resorted to revolt. Thus began the long, bitter struggle between the Kuomintang and the Communists.

It is worthy to note that, unlike its counterpart in other countries, the nucleus of the Chinese Communist movement is formed by intellectual elements. They are generally enlisted from the ranks of needy scholars who possess high ideals but slender means to complete their college education, though many of them are well versed in Chinese classics. Of these Mao Tze-tung himself offers a good example. After graduating from the normal school in his native province he had to work as a clerk in the library of Peking University, watching his more fortunate classmates go in for higher learning. Yet his attainments in the study of Chinese classics can be equalled by few college-men in China.

So far as can be discerned there were three strong factors that conspired to provide the Chinese Communist movement with a driving power: foreign imperialism, domestic warlords and feudalism. After the Revolution of 1911 the Chinese people gradually became nationally conscious. Every schoolchild learned in his text-books how unequal treaties were imposed upon China and how Chinese territory was wrested from her. At the same time



Mao Tse-tung during his recent visit to Moscow

warlords and bandit chieftains overrode the whole country and became absolute tyrants in the areas under their control. As far as feudalism is concerned, it was the idea of redistribution of land which especially captivated the imagination of the masses. As early as two thousand five hundred years ago it was already noted by Mencius that benevolent government must begin with the nine-square land system. Ever since then, statesmen and scholars have made intermittent and vain attempts to revive that system or at least to have the land redistributed among the peasants. This idea has sunk so deep in the mind of the peasants that every popular revolt in the past, by making it a slogan, never failed to draw a big following. For with the farming land of China largely in the hands of the rich, the lot of the peasants had become so unbearable that they were ready to explode at the smallest spark.

It was against this social background that Communism found the soil prepared in China. The people had great grievances, but were without the means of remedying them. Then along came the Russians who told them that foreign imperialism was at the root of all the evils which had kept China in perpetual semi-slavery; that to sweep foreign influence from China the warlords must first be exterminated and that to emancipate the masses from feudal slavery the social system would have to be changed, especially the land system. They did not offer theories alone, but also various revolutionary tactics for the practical struggle. These were the precepts that kindled a burning enthusiasm in the hearts of the young patriots and made them willingly go through all kinds of hardships. Arrest, imprisonment, torture, drowning or burning alive, nothing could deter them from the struggle.

Thus, the Chinese Communists, imbued with a fiery

spirit and guided by Russian tactics, waged an increasing battle against Chiang Kai-shek for nearly ten years. The latter, after several years of hard campaigns and sieges, succeeded in putting down the Communist revolts in other provinces, yet in spite of his obstinacy he could not take their last stronghold in Kiangsi, from whence the small but resolute Communist army finally emerged, marched through Yunnan, Szechuan, Kansu and then settled down in North Shensi, making Yen-an its capital. Chiang, being alarmed at this, and distrustful of General Chang Hsueh Liang, went up to Sian himself to rout his old enemy, but before any loss was inflicted upon the Red Army he himself was made prisoner by the young Marshal in collaboration with General Yang Hu-cheng. This was towards the end of 1936. Chiang would have been a dead man had it not been for the shrewd strategy of Mao Tse-tung, who managed to have the Generalissimo released on condition that he would abandon his campaign against the Communists and that, within a certain period, he should make war upon the Japanese instead.

The temporary reconciliation gave the Communists a breathing space and then the Sino-Japanese war broke out. It need hardly be repeated that during the war the whole strategy of Chiang was based upon the maxim of gaining time at the expense of space, and that he employed his best troops in restricting the Communists. The Communists could not defeat the Japanese in pitched battles, but they did fight them in earnest by guerilla methods. Thus, by the end of the war, the countryside of the whole of North China was in the firm control of the Communists, besides a greater number of isolated guerilla areas in Central and South China.

The constructive side of the Chinese Communist movement was first seen during the Sino-Japanese war. Before then it had been generally held synonymous with terrorism, and consequently it was really remarkable that the Communists, while desperately engaged in fighting the Japanese, should have been able to accomplish the huge task of land reform, which was to be the basis of the Communist victory. They did not do this by universal regulations but by enforcing individual measures in different localities, ranging from merely reducing the land-rent by twenty-five per cent to complete redistribution. This provided a certain amount of stability in the Communist areas, though the life of the peasants was, and still is, very hard. All those foreigners who visited these areas during the war agreed that they found little banditry, opium, prostitution or unemployment there. Along with the land reform the Communists also instituted the conscription system based upon land. Land was distributed in proportion to the number of able-bodied members of the family, and after a man joined the army his land was cultivated by the communal labour of his village. In contrast to this we know only too well that for his supply of manpower Chiang relied solely upon kidnapping.

As to the military organisation of the Red Army, I am not well informed. It is worth mentioning, however, that the political representatives in the Red Army are all-powerful. It is their duty to instil Communist enthusiasm into the heart of every soldier, lead small groups in constant self-criticism, provide their men with recreation, and control all the relations between the army and the people—in short, to make the soldiers under them all comply in their be-

haviour with the policy of the Communist party. The Chinese Red Army has long abandoned the practice of indiscriminate killing. Even before they crossed the Yangtse River we seldom heard of anyone being killed by the Communists, except some of the most notorious rascals who were condemned by the whole village. Those prisoners who were taken in regular battles, or in scattered raids, were usually released unharmed, and often given enough provisions and medicine (if wounded) to enable them to reach home. Even diehards like Tu I-ming, the former Nationalist Commander in Manchuria, and Wang Yao-wu, former Governor of Shantung, are known to be still living, though in training camps. It is still more remarkable that this magnanimous policy was carried out even by the Communist guerillas in isolated areas, far away from the main Red Army in North China. In carrying out a surprise raid on a customs-house or a police station, they took away the arms but seldom touched private property; and if they made prisoners, they did not deprive them of their personal valuables. (The writer is speaking of his own experiences in a petty but furious battle with the Communists around a village near Macau some years ago.)

It may be interesting to note the propaganda tactics of the Communists which, along with their armed forces, have brought about the downfall of Chiang's regime. Even under the rule of the old war-lords before the Kuomintang came into power, one would find in the big cities book-stores full of their literature. They had also their dailies or weeklies issued under the cover of some progressive cultural societies, which often became centres for organisational work. Even in the isolated guerilla areas the Communists did not neglect propaganda work. One of their prominent papers was the *Hwa Shang Pao* in Hong Kong. It was started shortly after the recovery of this Colony from Japanese occupation, and with such narrow financial resources that its employees were willing to work for less pay than they would have received from most of the other local dailies. It gained popularity among the working class, and its vehemency and poignancy kept all the other local papers in terror. It did not, however, rely upon that alone but had a great regard for truth as well. If it claimed a victory for the Communists, it would tell what division, what regiment, what battalion or what company of the enemy were routed; and if prisoners were taken, it would give the exact number, and also the names of the principal officers captured. It also discovered so many crimes and acts of corruption in the Nationalist regime that the people soon became disgusted with the shameless lies in the K.M.T. newspapers. It first coined the detestable term of the "four big families," and produced irrefutable facts to show the robbery and monstrous fortunes amassed by the innermost clique of the K.M.T. government. This paper finally gained so much support among the workers and general readers that when it was fined three thousand dollars for contempt of court about one month before it was removed to Canton for extension, its readers raised more money than was actually needed.

During the same period there existed in this Colony a K.M.T. paper, *Kuo Min Yih Pao*, which, despite heavy financial support from Nanking, had only a circulation of not more than two thousand copies, complimentary and compulsory. It was so full of open lies, hollow praises and paper plans that no one could read it without becoming

disgusted. In reporting a victory of the Nationalist army it always used such set phrases as "the beheaded and the captured are without number," or "the wilderness was covered with the dying and dead." Finally, in 1948, it was forced to close down.

During the Sino-Japanese war the Communists not only held their own, but actually expanded greatly in the vacuum left by the Japanese army. Some eighteen months after the surrender of Japan, when Gen. Marshall's peace mission ended in complete failure, open war between the K.M.T. and the Communists began again. The latter suffered some initial reverses at the hand of Chiang Kai-shek, but they succeeded so well in harassing and tiring out their enemy that after a year or so they were well in a position to launch a series of counter-attacks. Since Shihkiachuang, a strategical railway town in South Hopeh, changed hands in the summer of 1948, Communist victories have been continuous and widespread—in North China, in Manchuria, as well as in those provinces immediately south of the Yellow River. Yet few observers thought that the Communist army would dare to make an attempt upon the all-important strategical city of Hsuehchow, north of the Yangtse, which was defended by 500,000 crack Nationalist troops, and had the support of several hundred war planes. Nevertheless, to the surprise of many, the Communists marched boldly against the stronghold, and closing on the Nationalist army in a big encircling movement, cut it to pieces and captured nearly the whole of it. Chiang's army was so badly battered that soon after this signal victory Mao Tze-tung unceremoniously called the "Reactionary Nanking Government" to surrender.

When this demand was finally rejected, after several months' futile peace talks, the Red Army was immediately ordered to cross the Yangtse River. In less than three months, Nanking, Hangchow and Shanghai fell in quick succession, and were followed by Hupeh, Kiangsi, Chekiang, as well as part of Fukien. Then, after another brief halt, the Communists pushed on further, and before the year was out liberated Kwangtung, Kwangsi, Kweichow, Szechuan, while Yunnan also declared itself ready to take orders from Mao Tze-tung. During the same time the Greater Northwest was added to the dominions of the Peking Government, either through armed liberation or voluntary surrender. Thus, in one year and a half the Communists have brought the whole of China under their control with the only exception of Hainan and Formosa.

In the field of social reform the Communists have proved equally uncompromising. Land in the old liberated areas has long been re-allotted, while in the new liberated areas reduction of land-rent and abolishment of usury have also begun. Properties of the powerful Kuomintang families have been ruthlessly confiscated; opium and gambling are unequivocally prohibited. As may be easily imagined, many people now begin to hate the Communists who, however, do not rely so much upon universal popularity, but rather upon the strength of the organisation of workers, peasants and students under the Communist leadership. They regard the industrial workers as their chief allies; therefore, they make every effort to win their support by promoting their welfare, and meanwhile try to inspire them with Communist enthusiasm. They are still more successful with the students, who once gave constant trouble to the K.M.T. Government but who,

with a harder life to bear now, appear quite content and work with high spirits. As to the peasants, they are becoming organised, too. Although they are not as active as the industrial workers, once they have experienced the ownership of the land it is unlikely that they will give it up again without a struggle.

To the further credit of the Communists, as witnessed by all those who came from Communist-controlled China, is the remarkable lack of corruption and nepotism, the curse and shame of Chinese government for so many years. The writer himself has heard people accuse the Communists of being unfeeling, simply because they refuse to grant special favours to their friends and relatives. We may, of course, legitimately doubt if this will last long, but we should not overlook two extraordinary campaigns started by the Communists: under the country-wide slogan of "Learning" they have devised many schemes for people of different occupations to study together, for example, students are being taught to work in vegetable gardens, and to carry on propaganda work, while soldiers learn how to build dykes or bridges. They also form small groups in schools, factories, in the army and in governmental institutions, in which each member is encouraged to make a report of his progress with candour and in turn is subjected to severe criticism from his fellow workers, thereby doing much to keep those holding official posts from becoming corrupt.

The Communists are experiencing some serious financial difficulties and the value of the people's note continues to fall partly because expenditure is increasing too fast as a result of military expansion and partly because revenues in the new liberated areas are not yet fully organised. The Communist authorities are aware of this danger; so apart from taxes, old and new, they also resort to issuing bonds based on the value of several principal commodities, and the exaction of large contributions from the merchants. One of their main preoccupations is to stabilise the cost of living for the inhabitants of the big cities. This is done by forcing the farmers to yield up a large proportion of their rice crop and then rationing it. Civil servants and teachers are all paid in rice, the quantity for each increases month by month. Other necessities of life, such as cloth and cooking-oil are also gradually being drawn into the rationing system. Government control in Communist China has, indeed, become the order of the day. Foreign trade, foreign exchange, monetary business, schools and factories are all under Government jurisdiction and even the movements of the population are becoming more and more circumscribed. Certainly much of this is inconsistent with freedom, yet it would be simply impossible to do otherwise, if an order of social justice is to be inaugurated.

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KOREA AND JAPAN

by Robert T. Oliver

IN a move representative of what must be done by many nations if this battered and bitter twentieth century is to be set upon the path of peace, President Syngman Rhee of Korea held out the hand of friendship and peaceful co-operation recently to his country's age-long enemies, the Japanese. Arriving in Tokyo on February 16, President Rhee said:

"I myself have not been known as a friend of Japan. Nevertheless, the present situation requires reaching a common understanding between the Korean and Japanese people for their common safety in facing their common danger arising from the growing Communist expansion directed chiefly toward the Pacific areas. Instead of quarrelling over the unhappy past, if the Japanese realise their danger as we do and are willing to co-operate with us in fighting for the life and liberty not only of Japan and Korea but of all Pacific nations, we certainly can solve any problems existing between us."

This move by President Rhee may fairly be interpreted as a prompt constructive reaction to the vote in the U.S. House of Representatives on February 9, 1950, for \$60 million of aid for Korea, in reversal of the January 19 denial of such aid. The phrasing of the statement also clearly indicates that President Rhee is proceeding hopefully toward the goal he had previously announced of seeking a regional accord among the Pacific area nations looking toward their common defence and economic and political development.

Thus the Tokyo statement, delivered from the landing steps of General MacArthur's personal airplane "Bataan" is aimed squarely at reversing the meaning of the 1942 Bataan tragedy of defeat and withdrawal. Its significance is to signal a determined effort to forge a strong holding line behind which liberal and progressive forces in Asia may be enabled to build a free democracy unfettered either by Communist totalitarianism or by Western colonialism.

Under the aegis of MacArthur's friendly hospitality, President Rhee in effect said to the Japanese: "Let us forget the enmity that has embittered the relations of our two peoples for five hundred years. Both our nations are faced today by a foe that no one free nation can withstand alone. Both of us are recipients of American aid. We are free partners in a global brotherhood of democratic peoples who must stand together if we are to be able to stand at all. Let us work together not in narrow self-interest but in close accord with the other endangered peoples of the Far East to protect and nurture the new opportunities which should have resulted from the defeat of militarism in 1945. We must face toward the future, not toward the past. We must work together, for the era of isolationism is dead."

This proffer of alliance by Korea to Japan may be considered a measure of how deadly is the danger of Communist conquest confronting the front-line Asian nations following China's fall. It may also be interpreted as a triumph for

the American policy of trying to build a new fabric of confidence between Japan and its erstwhile Pacific victims. And, no less, it is a tribute to the spirit which has animated President Rhee's entire life and which still, in his 75th year, keeps him faced toward the future instead of toward the past.

The enmity between Korea and Japan has been at least as deep and continuous as that which divided England and France for the five hundred years preceding Napoleon's defeat. Many years of repeated depredations upon the Korean coast by Japanese pirates culminated in a seven-years' war from 1592 to 1598, when the warlord, Hideyoshi, was finally defeated in an all-out attempt to conquer Korea as a first step toward the intended conquest of all Asia. Three hundred years later, as a result of the Russo-Japanese war, Korea did finally fall into Japan's hands. And the following forty years marked a period of ruthless exploitation and cruelty.

The murder of the Korean Queen Min by Japanese officers in 1895, the Christian Conspiracy Case of 1912 directed against Korea's educated leadership, the slaughter of thousands of Korean residents in Japan after the great Tokyo earthquake of 1921, and the generation-long persecution of the Korean people under Japanese colonial rule cannot soon be forgotten. But President Rhee is pointing toward a future of development and away from a past of degradation. There is much for many peoples to forget and forgive if the ancient practises of international blood-letting are to be surmounted.

Rhee himself has suffered and struggled through many phases of the old pattern of international misdealing during the past half-century. From 1897 to 1904 he was imprisoned for his determined leadership in a fight to modernise and democratise the old Korean monarchy. Following World War I he sought to re-establish Korean liberties, first through a peaceful demonstration against the Japanese overlords, next through an appeal to the Washington Disarmament Conference, and finally through representations to the League of Nations at Geneva and to the State Department in Washington.

Exiled from Korea with a price placed on his head by Japan, Rhee time after time warned that the Nipponese were laying plans for a surprise attack upon the United States. These warnings culminated in a book, *Japan Inside Out*, published a few months before Pearl Harbour, which was dismissed as "war-mongering" by those Rhee sought to warn.

Among the present outstanding problems in Korea's relationship with Japan, which President Rhee's Tokyo statement asserts "we certainly can solve," are the following:

1. *Korean claims for indemnity from Japan.* Since all Japanese in Korea, constituting some two per cent of the whole population, were evacuated to Japan leaving their property behind at the end of the war, there has been a

tacit assumption in some influential quarters that Korea has no further legitimate claims upon Japan for damage suffered during the 40-year occupation. This view is supported by the fact that Japanese assets left in Korea totalled almost nine billion Yen.

However, Bank of Korea figures, substantially certified by the Special Economic Committee appointed under the American Military Government in Korea in 1946, list the following staggering charges against Japan:

Some 3,083 million Yen actually transferred from Korea to Japan in the form of annuity funds, insurance premiums and army funds;

Approximately 14,300 million Yen representing accumulated trade deficits;

Another 1,800 million Yen consisting of investments by Koreans in Japan, which under existing S.C.A.P. regulations cannot be recovered;

About 11,700 million Yen in Japanese bonds, debentures and commercial notes held by the Bank of Korea;

An estimated 20,000 million Yen consisting of Korean investments in various Japanese-held areas;

Unestimated values represented by property of the old Korean monarchy seized by the Japanese in 1905-10; properties taken from Koreans charged with anti-Japanese activities, 1910-45; and art treasures, curios and historical documents removed by the Japanese from Korea during the years of occupation.

Exclusive of this last item, the balance sheet shows a staggering net total of Korean claims against Japan of at least forty billion Yen at 1945 evaluation.

Since the Japanese economy, currently dependent upon American contributions of around \$800 millions annually, cannot possibly afford such a huge indemnity, President Rhee's statement must indicate a willingness to accept a practical compromise settlement of this account.

2. *Rights of Korean residents in Japan.* At the conclusion of the war, approximately one and a half million Korean residents of Japan, most of whom had been forcibly taken there for war labour service, were repatriated. The remaining 600,000 have been a continuing subject of dispute between the two countries, with S.C.A.P. serving as an unwilling referee.

The Japanese charge that these Koreans are black-

marketeers, trouble-makers and Communists. The Koreans point to the facts that their language schools have been closed, their properties hedged by unique restrictions and their status kept distinct both from that of Japanese nationals and from other foreign national groups in Japan.

The Korean Republic has repeatedly demanded that Koreans resident in Japan should be considered as Korean nationals and treated precisely as are other foreign national groups from allied nations residing in Japanese territories.

3. *Trade relations.* In the words of Hazumi, a director of the Japanese Department of Industry, "after the annexation of Korea (by Japan in 1910), its industrial development was consciously checked." For the entire period of Japanese occupation, Korea was used as a source of raw materials and a dumping ground for Japanese surpluses. The major trade problem of the present is to establish an exchange of Korean and Japanese exportable products on a basis of mutual benefit.

Korea, like the Philippines and other Far Eastern nations, fears and opposes the restoration of Japan as the prime manufacturer of consumer goods in the Orient, with the other countries restricted to providing food and raw materials in return for the fabricated products. Yet if Japan is to support its more than 80 million inhabitants on its tiny island areas, it can do so only through such a favourable trade arrangement. Four years of American study of this problem has as yet failed to reveal a solution.

Whether the Tokyo statement by President Rhee will actually lead to a serious consideration of these basic problems depends upon the nature of the Japanese reaction to it. Under the most favourable of circumstances, the problems cannot be easily solved. Their eventual solution undoubtedly would become easier if the thus-far soft-pedalled plan of a Pacific Regional Accord should become a reality, and if the Truman Point Four programme of aid to undeveloped areas should result in concrete steps to develop Asian industrialism.

For it is just as true in Asia as it is in Europe that unless American wealth is used to prime the pump, there can be no development of self-support on a level of welfare sufficiently high to win and hold the support of the underfed masses. And unless this condition of endurable welfare is achieved, the Communists will win by default.

INDIANS IN FIJI

by J. A. Kirpal

FIJI, at the cross-roads of the Pacific, was discovered by the Dutch navigator, Tasman, in 1643, and consists of 250 small islands of which only 80 are inhabited. Fiji was ceded to Britain by the native chiefs in 1874, and has since then been a British Crown Colony. It is about 11,000 miles distant from London via the Panama Canal, and about 13,000 miles via Suez.

The Colony's population at the end of 1947 was as follows:

Indians	...	...	125,674	47%
Fijians	...	...	121,247	45%
Europeans	...	...	5,376	2%
Part-Europeans	...	...	6,341	2%
Chinese	...	...	2,891	.75%
Other Pacific races	...	...	7,743	2.9%



Library of the Government Training College, Nasinu, Fiji. The librarian is an Indian student (left seated) who is responsible for all cataloguing and issuing of books to students

The Europeans came to Fiji in the early days in search of sandalwood and trade. They met with strong opposition from the inhabitants who were ruthless cannibals. Many of the early Europeans were murdered and eaten. Those who survived, settled down and were soon followed by others. The settlers in turn were followed by the Christian missionaries, who not only turned the cannibal Fijian into a law-abiding and God-fearing human being, but also gave him a written language. Quite a number of missionaries were murdered and eaten, but those who escaped and those who followed from time to time, carried on their work and built schools and churches throughout the Colony.

The Indian colonisation of Fiji began in 1869. Indians were engaged to work on the sugar-cane plantations at very low wages, but in 1916, after much agitation, the system under which they were brought out to Fiji was stopped by the Government of India. The bulk of the Indian population today is made up of the descendants of these immigrants. English is their chief language, but all the Indian vernaculars are also spoken. Hinduism is the dominant religion, followed by Mohammedanism and by a number of sects. The Indian Christians number about 2,000. The legal, medical and teaching professions, as well as most of the small businesses are in Indian hands, but only a small percentage of the population could be said to be engaged in commerce, the bulk being engaged in agriculture. However, they suffer under an acute land shortage, as the land has been reserved for the Fijians.

The Indian farmer, as a rule, has a small holding and is always in debt. It can truly be said that he is born in debt, lives in debt, and dies in debt. He owes to the money-lender, who charges him a high rate of interest plus the heavy legal expenses of the documents which have to be executed to secure the money; he is in debt to the store-keeper who supplies him with consumer goods, usually at a higher price, as he has to take certain risks. Thus, the debt is passed on from father to son. There is no Agricultural Bank in Fiji, and it is high time that one should be

established. It would be of tremendous help to the small farmer.

There are at present 117 schools for Indian children (10 of which, including a secondary school, and a teachers' college, are run by the Fiji Government, 17 by the various Missions, and 91 by local committees). The Missions and local committees receive yearly grants from the Government, but more schools are urgently needed.

Indian youths desiring higher education are forced to go to New Zealand and Australia. Though the Fiji Indians are British subjects, and New Zealand is a British Dominion only 1,100 miles distant from Fiji, any Indian student desiring to enter New Zealand has to comply with the following conditions:

- (a) He must produce a letter from the School, College or University accepting him as a student.
- (b) He must execute a bond for £300 with two approved sureties to the effect that he will not become a charge on the Government and will return to Fiji after finishing his education. This permit is only for a year, and has to be renewed each year, but it may be revoked at the discretion of the Minister of Customs.
- (c) He must not take up any employment in New Zealand.

Australia does not insist on a bond, but she also rigidly adheres to the other conditions mentioned above.

The housing situation in Fiji is causing concern. The Indians are not rich. They must borrow at a high rate of interest in order to build homes. There are no building societies, and the insurance companies do not lend for housing purposes. This problem has to be tackled as early as possible. The Government of Fiji operates a Savings Bank, and holds a fair amount of money belonging to investors. Some sort of scheme should be devised whereby advances could be made for homes at a low rate of interest.

The Indians serve the administration as assistants to district commissioners, clerks, interpreters, and police constables, sergeants and sub-inspectors. There is only one Indian inspector. Fiji has an Executive Council, which has one Indian member, and its deliberations are carried on in secrecy. Fiji's Legislative Council, which has five Indian members—three elected by the Indians under a communal franchise, and two nominated by the Governor. More Indian representation is urgently needed.

On the other hand, each of the Municipal Councils at Suva and Lautoka have elected Indian councillors. In 1949 the Indians were for the first time allowed to elect their own councillors. There are Police and Magistrates' Courts in Fiji, also a Supreme Court, and a Court of Appeal. The English legal system operates and Indian barristers and solicitors practise before all these Courts. The Indians of Fiji are generally law-abiding, and look towards India for cultural and spiritual inspiration. They live in amity, peace and harmony with the other races living on the islands.

Fiji today has become a very important British Colony. It is linked by air with North America, New Zealand and Australia. It is also the chief port of call for steamers plying between America and Australasia. If its problems can be solved it will a lovely place to live in.

FROM ALL QUARTERS

Return of Diet Mission from the U.S.A.

The fourteen members of the Japanese Diet who had been on a two month's visit to the U.S.A. and Canada, recently arrived back in Japan. Following their return, General MacArthur issued a statement expressing his belief that their visit had "not only resulted in better understanding in all walks of American life of Japan's post-war problems, ideals and objectives but had also given the delegation many sound ideas for embodiment within the pattern of Japan's reconstruction." The leader of the mission, Takeshi Yamazaki, said that after studying and observing the systems and operation of the Federal, Municipal, and State Assemblies of the U.S.A., the mission had learned many "exemplary facts" and truly felt that the U.S.A. was a democratic country. Although it would be impossible, because of differences in national conditions, to apply some of the U.S. examples to Japan, the mission had learned many things which could be realised in Japan and believed that all obstacles to their realisation must be overcome, in order that Japan "might be able to fulfil the duty placed upon her of bringing about world peace and of replying to the profound considerations of Gen. MacArthur."

New Indian Political Party

The recently formed "Republican Political Party" of India announces that in order to "secure and safeguard the primary necessities of life in the shape of money, food, clothing, shelter, education and amenities of middle-class people who are a minority of 25 per cent in the population of India" it proposes, among other things, to align with the U.K. Conservative, U.S.A. Republican and Australasian Country Parties; to introduce gold and silver coinage; to extend the sphere of influence of the Republic of India in the underdeveloped countries where the Indian Army fought during the war and to secure mandates over them; the Italian mandate in North Africa to be contested at U.N. for the Republic of India. The Italians who were fought by the Indian Army, must give way to the superior culture, ideals of service and affinity of Indians. The new party also proposes to explore the South Seas and South Pole for "Lebensraum" for Indians.

Japanese Delegates to P.E.N. Club Conference

It has been announced in Tokyo that the dramatist, Kihachi Kitamura, and the novelist, Tomoji Abe, have been elected by the Japan P.E.N. Club to represent Japan at the International P.E.N. Club Conference to be held in Scotland during August.

New Vaccine to Combat Rinderpest

An improved type of vaccine against rinderpest, a dangerous and costly livestock disease, is now being prepared in Kabul through the aid given by the Food and Agricultural Organisation of the United Nations. It will be used in a new spring drive against an outbreak of rinderpest in the Herat area of Afghanistan.

Peking Agricultural Conference

The Agricultural Conference convened in Peking by the Ministry of Agriculture closed on March 9, after lasting for 15 days. During the conference a detailed plan was drawn up for replacing all present staple crop seed throughout China with specially selected high-yield, disease-resisting seed while efforts are to be made to reach pre-war output level. The 180 delegates from experimental stations, provincial government departments of agriculture, experts from State-owned farms and skilled farm workers acknowledged Michurin's theories as the fundamental guide for their work. At the same time it was revealed that last spring over 33,000 hectares had been planted with improved, selected seed for cotton, wheat, maize and millet and that since then the peasants had been drawn into the seed selection campaign on a large scale—in South Chahar, for example, 70 per cent had participated and in Shansi over 80 per cent. As a result, about 667,000 hectares in North China were being sown with selected grain and cotton seed this year.

Adam's Peak Illuminated

The path to Adam's Peak, the 7,000 ft. high mountain in Ceylon which is sacred to Buddhists, Hindus, Muslims and Christians alike, was recently lit by electricity when it was climbed by a large party of pilgrims, led by the Ceylonese Minister of Transport and Works. The lighting of the route is in fulfilment of a vow made by the Minister to Saman Deviyo, the Guardian Deity of the Holy Peak, in return for the speedy and successful completion of the civil engineering works connected with the hydro-electric scheme.

National Fuel Laboratory in India

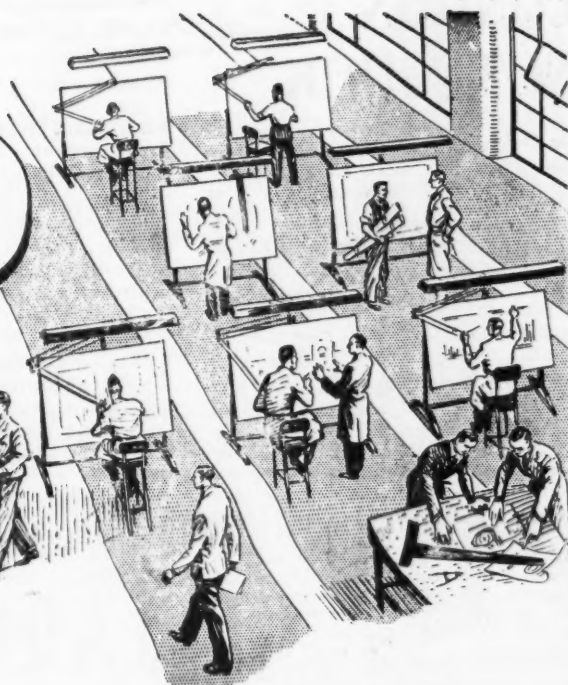
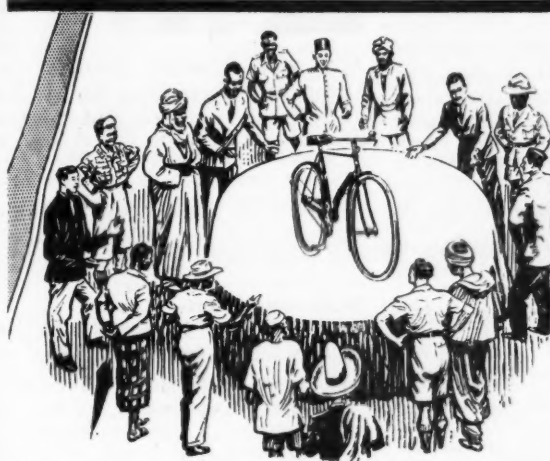
The National Fuel Laboratory of India will be opened at Dhanbad in Bihar on April 22nd by President Rajendra Prasad. The Institution, the third in a chain of eleven national scientific laboratories, will deal with problems of fuel research and investigation. Dr. Shanti Swoop Bhatnagar, Director of the Indian Council of Scientific and Industrial Research, who recently visited London, said that he had already secured the bulk of the equipment required for these laboratories. He has also visited France, where he discussed the setting up of a monazite processing factory in India in conjunction with a French firm.

Reclamation of Waste Land

The total area of waste land in India reclaimed by the Central Tractor Organisation up to the end of January last, was over 100,000 acres. This was in addition to over 113,000 acres of land cultivated by tractors during the same period. The total outlay for these projects was Rs. 10,000,000 including a capital expenditure of Rs. 6,000,000.

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On Dancing Technique

Indian and European classical dancing was compared recently in a joint lecture-demonstration by Ram Gopal and Celia Franca, under the auspices of the Royal India and Pakistan Society. While European dancing is entertainment plus emotion, Indian dancing is entertainment plus emotion and the expression of spiritual and intellectual concepts as well. To excel in either form of classical dance a knowledge of formal technique is essential as a foundation for individual interpretation. Both dancers agreed on the fact that fine technique is a matter of strict discipline; restraint and co-ordination combined with a precise and sensitive musicality which causes the steps and postures to flow into a harmony with the music, whether of piano or drum. In both forms of the dance the "line" of the dancer must be crisp and vital, not flabby and undecided. Only on this purity and strength of line can a dancer, either of the East or the West, build up the individual expression of personality which is the final stage of an artist's achievement.

Mountaineering in Sinkiang

There is no country that exerts a more powerful attraction on the ambitious traveller than Central Asia, in particular Sinkiang, according to Mr. H. W. Tilman, who in his lecture to the Royal Society of Arts described his travels in this region in 1948. The usual way of reaching Sinkiang is from India, either through Kashmir and over the Karakoram pass, or from Gilgit over the Mintaka pass. Both journeys are arduous and owing to the Kashmir dispute, Mr. Tilman decided to go via China. Together with a companion, Mr. E. E. Ship-ton, then British Consul-General in Kashgar, he first tackled the Bogdo Ola group, but because of the harsh weather conditions and the difficult route which had to be traversed, the attempt was abandoned at 15,250 feet. After a rest in Urumchi, an effort was made to reach the summit of Chakragil, but once again this had to be abandoned at 17,000 feet. The trials and hazards of these undertakings were described with much humour and realism by Mr. Tilman and his encounters with the inhabitants of this area left him with the impression that "whatever the British Raj may have done or left undone in the past . . . in these remote regions an Englishman is still sure of a warm welcome."

Anglo-Korean Relations

Mr. Tchi Chang Yun, Korean Minister in Britain, held his first press conference in London last month during which he explained his country's political and economic position. The stream of refugees from North Korea to the South is still continuing and the Republic is trying to find them land or occupation in public works. The Minister hopes for lively trade relations between Britain and Korea, as the latter is in need of machinery for which she is able to offer leaf tobacco and minerals in exchange.



India and the Privy Council
An historic link between India and this country was severed on December 15, 1949, when His Majesty's Privy Council completed the hearing of the last Indian appeal. Thus an association in the judicial field which had lasted for over two centuries came to an end. In tracing the connection between the Privy Council and India in his lecture to the East India Association and the

Distribution of Books in China

The North-East General Branch of the State-operated New China Book Agency sold twenty-five million books last year. Of these, thirty-five titles dealt with economics, thirty-two were on revolutionary theory, and the rest were periodicals, magazines and textbooks for students, workers and peasants. The contents and standard of printing had improved compared with the previous year, and prices had been reduced by one-third. At the same time the agency inaugurated libraries and reading rooms in factories and villages throughout the North-East and during the rural winter school campaign two thousand school libraries were established, while about a million copies of popular readers were sold to the peasants. The agency's publications plan for this year provides for an increase of one and a half times last year's total, and includes the production of three categories of books; on the experiences of factory management in different enterprises and the experiences of Soviet economic construction; books on current political problems; theoretical and professional reference works, and cultural and educational material, as well as popular readers for children. The agency will also keep in close contact with libraries, cultural institutions and clubs and will also devote more attention to helping privately-owned bookstores.

Peking People's University Opened

Lectures began on March 13th in the recently opened People's University in Peking. Staffed by 130 professors, lecturers and instructors, including Soviet professors and experts, the University has enrolled over 1,600 students who have been specially chosen from the best cadres and workers in China's main cities. More than half of them are advanced industrial workers and revolutionaries with years of experience, while the rest are young intellectuals from the North China University and other colleges in Peking. The close combination of learning and practice and the study of the experiences of the U.S.S.R. are to be the University's guiding principles, as laid down by the Ministry of Education, and the aim is to provide students with a thorough grasp of Marxism-Leninism and a mastery of the technical knowledge necessary in the various professions. The full course lasts from two to four years in economics, economic planning, finance, commerce, co-operatives, factory management, foreign affairs and law. The University has its own translations section, publications department and printing house. In the specialised training for the different branches, more time will be spent on practical work than in attending classes, with experimental training in factories during the vacations.

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Overseas League on March 3, Mr. J. P. Eddy, K.C., pointed out that the first slender bond dates from 1667 when a committee of the Privy Council was set up, called "The Committee for the Business of Trade." This committee, which was often composed of laymen, was charged with the task of hearing appeals from "foreign plantations." In 1726, by a charter of George I, courts were set up at three settlements of Madras, Bombay and in Bengal. The earliest record which the Privy Council has of an Indian appeal shows that the petition was presented in 1791 and that the appeal was "heard before His Majesty's Privy Council at the Cockpit, Whitehall." However, it was not until Mr. (afterwards Lord) Brougham's vigorous protest, in 1828, against laymen hearing appeals, that reforms were inaugurated in 1833 for the better administration of justice in His Majesty's Privy Council. By 1929, Lord Haldane could proudly claim that the Judicial Committee of the Privy Council sat as an Imperial Court which represented the Empire and not any one part of it. Although many of the judges who sat on the Judicial

Committee had little or no acquaintance with India, their wide knowledge of law and their real insight into the issues which they had to decide illuminated many problems which had puzzled Indian courts in relation to Hindu and Mohammedan Law. The result has been that they have created a great body of case law which not only has won the profound respect of Indian lawyers but which will undoubtedly be a sure guide for Indian courts for many years to come.

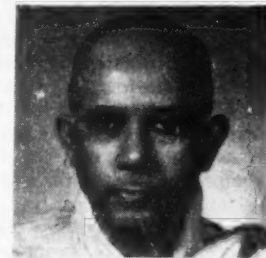
Inter-Religious Service

A communal service called "Every Nation Kneeling" and conducted by leaders of various world religions, was organised by the World Congress of Faiths on March 17th in London. It began with the readings from the Quran Metta Sutta, the Vedas and the New and Old Testaments, followed by the Analects of Confucius and hymns and prayers from equally widespread sources, including a canticle from the Bhagavad Gita. Swami Ganananda read passages of Ram Krishna's writings to point out the unity of nature and prayer, and Dr. S. M. Abdullah, Imam of the Shah Jehan Mosque, Woking, recited the first chapter of the

Quran, explaining how these seven verses cover the relationship between Allah and man. The service ended with a Sufi prayer.

The Buddhist Vihara Society

The Buddhist Vihara Society in England has been in existence for two years. According to the report of the Society's progress during the



The Very Rev. Narada Thera of Vijirarama Vohara, Colombo

past year the outstanding event was the six-weeks visit to London of the President, the Ven. Narada Maha Thera. During this time the Ven. Narada worked tirelessly for the propagation and right understanding of Buddhism in the West. Besides his lectures to the Society he addressed groups of interested people in many parts of the country. The report also records an increased demand for Buddhist literature during the year.



Riptide in the Pacific (Auckland University College Labour Club)

This unpretentious work is a collection of six essays by Lecturers and Senior Lecturers in Universities of New Zealand, introduced by Mr. McLaren, President of the Auckland University College Labour Club. The first paper, by Mr. H. Winston Rhodes, of Canterbury University College, on Power Politics in the Pacific begins by asserting that the Asiatic countries and the islands of the Pacific can no longer be considered "remote and mysterious places where adventures might be found and fortunes made." Reasonably enough the author goes on to put World War II in its place as only the culminating climax in a series of changes tending to the great awakening which is everywhere found in the post-war world.

Mr. James Bertram supplies a contribution on China and Japan as seen from the antipodean angle. He goes back to the Taiping Rebellion in China and the Meiji Restoration in Japan to show how his thesis of modern developments is evolved. In this paper, as in the first, there is nothing good to be said of the Nationalist régime; much of what is said of the Chinese type of Communist will not readily find acceptance here. But in all these papers there is a determination to say just what is in the writer's mind; no punches are pulled and it would be obvious to any reader that the writers are all well left of centre. It is refreshing, however, to read such essays for they express a point of view which is not confined to "Down-under"; all the same we doubt if English readers have the slightest idea how differently Asiatic problems are viewed from the Australian and New Zealand territories.

BOOKS on the

Outer Mongolia and its International Position by GERARD M. FRITERS (*The Johns Hopkins Press, under the auspices of the Institute of Pacific Relations. London: Cumberlege, 45s.*)

Relations between the Far East and countries of the Western world have always tended to follow a steady pattern in which commerce has held pride of place. Much has been said and written about "arrogance" on one side or another; about "exploitation" and "domination." In the space of a lifetime many concepts, national and international, have undergone great change; now, for better or for worse, many hitherto subject peoples have been given the chance to see what they can do with their own powers to shape their own destinies. But this is a time of unease and striving among competing ideologies and, for some time to come, we must be prepared to read many contradictory statements—made in all good faith—by writers who support one school or the other.

The territory hitherto known as Outer Mongolia (and more recently as the Mongolian People's Republic) has always exercised a curious fascination over the mind of the Western traveller. Vast stretches of sand, scrub and stony hills; few roads and other means of getting from place to place; stretches of brackish water and streams that dry up as soon as the need for water becomes urgent—what is the secret of the fascination exercised by such a vista? Tales are told of great mineral treasure beneath the profitless soil; then a geologist comes along and says that, even if the treasure is there, the cost of getting it out would make the enterprise uneconomic. Yet still Mongolia, as part of that greater expanse called Central Asia, exerts its lure.

Apart from one comparatively recent book in Chinese (1942) and two in Russian (1945 and 1948), little up-to-date material on the territory is available. Much of what appears in the three books just mentioned would be of little use to the Western reader, for the aspect of the writers is naturally far removed from the Western point of view. Mr. Friters begins his narrative with the Chinese and Mongol revolution of 1911, aimed at the overthrow of the Manchu House. A fine introduction by Owen Lattimore does the reviewer's job for him—and much more. It rounds out what is, inevitably here and there, a rather dull factual narrative of events into a human story of a collection of "Banners" made up of men very like us. After a discussion of the structure of Mongol society in regard to its geographical position and the dominance of Lamaism, some hundred pages each are given to a discussion of Mongol relations with Russia and China; a shorter chapter deals with Mongol-Japanese relations. The final chapters sketch the relations between Mongolia and France, Britain, Germany, Sweden, Germany, U.S.A. and others; finishing with a discussion of the

FAR EAST

Powers as a whole and the present position of the Republic. This will remain for the foreseeable future the most important reference book on the subject.

Chinese Agent in Mongolia by MA HO-T' IEN; translated by JOHN DE FRANCIS (*The Johns Hopkins Press. London: Cumberlege, 31s. 6d.*)

Mr. De Francis presents an eclectic translation of Ma Ho-t'ien's *Nei-wai mêng-ku k'ao-ch'a jih-chi*, published in Nanking at the end of 1932. The Chinese original styles itself a diary and, in spite of extensive cuts and omissions, this is evident from the translation. The English work is much more readable than the original—at any rate for the bulk of Western readers unaccustomed to the discursive ramblings which so often pass for modern Chinese literature. The translator presents his work with a warning as to the untrustworthiness of much of the material presented by the author; he was “no scholar” and his judgement was, in the translator's view, often faulty. None the less the book is of interest and value as an indication of the struggle which is a necessary part of life in Inner and Outer Mongolia both in these days of change and tension. Old loyalties die hard and even when good cause for a change can be shown, it is seldom effected without much trouble all round. The reader should read this book with one eye on Mr. Frasers' work above, or at any rate some other more well authenticated and documented record. There are valuable “Banner Lists” in the book.

A Daughter of the Samurai by ETSU INAGAKI SUGIMOTO (*Hurst and Blackett, 12s. 6d.*)

Since the first appearance of this book in 1933, twenty-one thousand copies have been printed. Christopher Morley, introducing the book to Western readers, says, “What a lovely book it is!” He is quite right. The only difficulty in the minds of many readers will be to reconcile the obvious honesty, sweetness and light of the author with what all too many people now know of the capacities for evil in the heart of the Japanese man. It was always a mystery to foreigners living in Japan that there should be so deep a gulf between the characters of male and female in the nation. There is, however, deep truth in Mrs. Sugimoto's account of her countrymen; the picture was true once, as we well know. Whether it will ever be so again and if so, to what extent and whether the best of the Japanese woman can sink without trace the demon which is Japanese man, remains to be seen. There have been many accounts of Japanese war brutality and bestial behaviour; to those who are tired of such records Mrs. Sugimoto's book will come as satisfying relief.

NEVILLE WHYMANT

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Hali: A Play by G. V. DESANI (*Saturn Press, 7s. 6d.*)

It is not difficult to recommend the reading of Desani's new play, even in face of the fact that E. M. Forster has paid tribute to its depth of feeling, hidden it may be in the symbolism of which the author is far greater a master than his readers can hope to be. One reading will certainly not be enough for most people, but even a single reading will leave the experimenter with something of the treasure which it was in the author's mind to offer. It is poetry indeed; though it is in ordinary dramatic form, certain lines echo and re-echo in the corridors of the mind, driving one again and again to the page to find the real clue which, one is sure, must be there somewhere. A careful study of the play will make many wonder whether there is a possibility of finding that "virtue beyond good and evil," especially for mankind in its present so debased state. Here, at any rate, are no economic somersaults, no political shadow-plays, no alleged new nostrums for a world sick unto death but consistently fed only on materialist dogma. Here is a world into which all might stray and thereby gain strength in spirit.

Witty Tales of Badshah and Birbal by M. S. PATEL (*N. M. Thakkar, Bombay, Rs. 6.12 or 15s.*)

The tales told of Badshah and Birbal are innumerable. Mr. Patel has done great service to the English-reading public by bringing together some of the more outstanding examples. There is an abundance of wit (some of it of a very wry order) in these tales; nothing pleases the ordinary man so much as to hear instances when Ministers could score off Royalty without actually losing their heads as a result. It is cheering, too, to know that rulers who were surrounded by the wisest men day in and day out, could fall into the commonest trap set for them by tricky advisers. All are here; the trick questions with the even more tricky answers, the traps for unwary feet into which even Royal feet may fall, the half-truths which may yet convincingly masquerade as full truth while concealing an opposite meaning in their phrases. Many of the stories end with the statement that His Majesty was so pleased with the replies of Birbal that he sent him away with a rich present. Long before we reach the end of the book we know well why early travellers in India astounded the people at home with stories of India's fabulous wealth. In their day they were accused of exaggeration; if Birbal's rewards were on show we estimate they would now be accused of gross understatement!

REVIEW OF REVIEWS

THE first two issues of the much-heralded new magazine *People's China* have arrived in London. Published twice a month by the Foreign Languages Press, Peking, it is "dedicated to cementing unity and friendship between the Chinese people and the progressive people of all lands." The political part contains a wealth of optimistically tainted information, the most interesting of which is an article "On

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the Role of the National Bourgeoisie in the Chinese Revolution," expounding the necessity of this class in what Lenin called the New Economic Policy in the transitional stage from capitalism to socialism. In the part devoted to literature Kuo Mo-jo, new Chairman of the All-China Association of Writers and Artists, tries, though not very persuasively, to prove that a "United Front in Literature and Art" existed since the beginning of the May 4 Movement in 1919. Two new magazines, *People's Poetry* and *Poetry of the Masses* are announced. Information is also made available on translations from Eastern European literatures into Chinese and Chinese studies in the Soviet Union, *inter alia* the compilation of a Chinese-Russian dictionary which contains not less than 300,000 words; it is being prepared by the Leningrad Academy of Oriental Science.

Politique Etrangère starts its fifteenth year with an issue least of which is devoted to problems of India and the Far East. Mr. Tibor Mende's analysis of India's politically and economically anything but bright situation is, in view of the coming elections, of special value. For the first time 190 million people, of whom 87 per cent are illiterate, will vote and have a say in their country's representation. Nor is Monsieur Robert Guillaud's study of the problems of Communist China less important though it is essentially a repetition of the arguments brought forward in the same author's series of articles in the *Manchester Guardian*. Professor Roger Pinto's "Vietnam 1949" brings the many constitutional questions to light that are connected with the transfer, even of a limited, sovereignty.

The Harvard University's *Quarterly Journal of Economics* published a historical study of "Preobrazhenski and The Economics of Soviet Industrialisation," by Alexander Erlich, which should be of interest to students of China because of the analogy in the situation of the U.S.S.R. 25 years ago and China's at present.

The *India Digest* makes interesting reading, in parts at least. Most topical are the portraits of India's leading men in politics, industry, arts and literature though some of the poems published are hardly worth the paper on which they are printed.

Pacific Affairs (December) is, as always, a treasure chest of carefully assembled information from sources otherwise not easily accessible. I should like to draw the reader's attention to two studies in demography: "China's Population Problem" by Chang Chih-yi and "Demographic Research in Japan" by Irene B. Taeuber, which have nothing to do with dry statistics and cover practically all aspects of over-population and its problems in agrarian and highly industrialised countries, respectively.

In *Indian Affairs* Miss Mukul Mukherjee analyses with dexterity the dangers inherent in "The Apartheid Policy of the Malan Government," the repercussions of which we are made to feel in our African policy.

Finally we should like to salute a newcomer. *Colonial Development*, a quarterly of the Colonial Development Corporation, sets itself the task to record the achievements of the corporation in a matter-of-fact way. The first issue, splendidly illustrated, fulfils this promise to a remarkable degree, is eminently readable and sparkling of dry humour. We wish the editors good luck and hope that the next issue will be of a similarly high standard.

JOHN KENNEDY

PUBLISHED MARCH 23rd.

RELIGION IN CHINA

E. R. HUGHES, M.A.

Late Reader in Chinese Religion and Philosophy in the University of Oxford

and K. HUGHES

Beginning with primitive times it shows how some of the early superstitions became purified through the influence of the Confucianist philosophy, how a deep strain of mysticism came from the Taoists and how thereby a worship of "Heaven" and of "Earth" was evolved. Then Buddhism came from India and enriched the Chinese idea of religion with its other-worldly emphasis. Besides these main streams, the comparatively large Moslem communities and the introduction and development of Christianity (from the early Nestorian missions) are dealt with and an appraisal given of the religious situation in China today.

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D. G. E. HALL, M.A., D.LIT., F.R.HIST.S.

Lecturer in Burmese History in the University of London

Strangely little interest was shown in Burma by British people in general until our defeat there in 1942 by the Japanese. Since then, however, things have changed, and in particular men and women who served with the Fourteenth Army have been anxious to learn something of Burmese history. With the grant of independence and a growing realisation of her immense strategic importance, Burma has now become front-page news. This book attempts a survey of the subject in the light of modern research, at the same time presenting it for the reader unfamiliar with South-East Asia, and has the aim of adding to an intelligent appreciation of the present, and of drawing attention to a field of history with an interest all its own.

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SERMONS IN STONE

by Priyadarsi Sugatananda (Rangoon)

THE origin of Stupas in India goes far back in pre-Buddhist history. The first Stupas were cairns; pre-historic tumuli similar to the Celtic barrows, erected in honour of great kings. That the custom of marking historical spots with mounds of stones was well established in the Buddha's day is shown by the reference in *Digha Nikaya XVI 5*, "At the four cross roads they raise a cairn to the supreme ruler." In the *Mahaparinibbana Sutta* the Buddha refers to the current practice of erecting memorial mounds, and four types of persons are mentioned as being worthy of the honour: Samma Sambuddhas, Pacceka Buddhas, Tathagata Savakas (Arahants), and Raja Cakkavati or World Monarchs. The Buddha recommended that Stupas should be set up for the Tathagata at the cross roads.

It is doubtful whether the Buddha intended that these Stupas should be anything more than reminders to whosoever saw them of the life and teaching of the Tathagata and the Arahants. It is expressly stated that the main object of the Stupa is to produce *Samvega*—that is, an emotional reaction caused by the contemplation of some object or idea that has a religious significance. Be this as it may, the Buddha's remains had not long been interred before a Caitya Vandana cult was established and there was a recognised sect of Buddhists who were Stupa worshippers.

Since then, wherever Buddhist culture has penetrated some type of Stupa is to be found. In Burma, China and Japan it takes the form of the multiple-roofed Pagoda; in Ceylon the Dagoba, and in Tibet the Chorten. The two latter have adhered most closely to the original Indian pattern, which consists of a base, a hemispherical dome or cupola called the *Anda*, and a reliquary, the *Harmika*. The whole is surmounted by a *Catta*, or umbrella, the insignia of royalty. Frequently, as in the case of the Great Stupa at Sanchi, the entire edifice is surrounded by a stone fence, which encloses a circumambulatory path. In Stupa ceremonial the worshipper walks round the Stupa clockwise, in the direction of the sun, and keeping the right side towards the object of worship. The stone fences are usually divided by four gateways or shrines situated at the four cardinal points, signifying the invitation, "Come and see!" which the Dhamma extends to the world. The main entrance faces south, because the Buddha's Enlightenment corresponds to the sun at its meridian, while the triple-barred gateway and fence of the Asokan pattern stands for the Tiratana of Buddha, Dhamma and Sangha.

These are the outward symbols of the Stupa, but there is another, esoteric symbolism expressed in the sections of the buildings and their relationship to one another and to the whole. Taken together, the parts strongly suggest the *Buddha-rupa*, the shape of a man sitting in meditation, the crossed legs being represented by the base, the body by the *Anda* and the head, the crown of spiritual aspiration, by the *Harmika* enshrining the relics. This correspondence is clearly acknowledged in the Nepalese Stupas, which often have eyes decorating the *Harmika*.



Buddha Gaya Pagoda, Bihar, India

In Stupa construction the symbolism proceeds in two directions, horizontally and vertically. The horizontal represents cosmic, and the vertical, physical symbology. The number four, which is a recurrent principle in the architecture of Buddhist monuments, is a dominant factor. It is seen in the main divisions of the Stupa, where the foundation or spiritual ground-plan forms the basis for the vertical extension into the next higher dimension, the universal aspect of Dhamma. Four, as characterising the extension on the plane, or second dimension, is expressed in the four gateways or shrines, four staircases, occasionally as four-cornered platforms or four- or eight-cornered substructures. This ground plan relates to the categories of individual psychology, wherein the aspects of Truth resolve themselves into groups of fours, such as the Four Noble Truths, the Eightfold Path, the Four Foundations of Mindfulness, the Four Great Efforts, the Four Sublime Meditations, Four Jhanas, and Four Psychic Powers.

The main portion of the Stupa—the *Anda*, or Egg—in shape a hemisphere, represents the complete cosmic principle. Its base is a circle, and like the arched dome of space it comprehends all phenomena and all processes, creation and destruction, death and rebirth. The Egg is taken as the symbol of the life process and latent creative energy. Above and beyond it the *Harmika* containing the sacred relics, stands for the assurance of refuge that lies apart from the flux of Becoming. It is the Sanctuary of the Unchanging, Unconditioned State, *Nirvana*. There is also a further



The Ananda Temple, Pagan, Burma

symbolism in the *Harmika*, for in shape it somewhat resembles the pre-Buddhist sacrificial altar. The Buddha, as Bodhisatta, sacrificed himself for the good of the world, and so the structure is crowned by the sacrifice of "self," representing the sole release from the cycle of Samsara.

The final addition, the *Catta*, or umbrella, shows the most complex development from the archaic originals. Its form in the later Stupas a cone, having the characteristic of one-pointedness, with a solar relationship which is indicated by its vertical direction, symbolising aspiration. It is built up in layers of horizontal rings, diminishing towards the top. This was originally suggested by the umbrellas, held one above another, which were the special prerogative of royalty. According to later Buddhist writings, however, the strata indicated by the rings also typify certain psychic faculties or ascending stages of consciousness which are passed through on the way to Enlightenment, and the world-planes, usually given as seven *Bhumis*, that correspond to them. This development is directly traceable to the Vedic concept of the tree of life that crowns Mount Meru, whose spreading boughs are the divine world-planes, realms of transcendent consciousness. In Vedic tradition the world tree on the summit of Mount Meru stands on the axis of the universe. The Pagoda, with its many roofs, is an extension of the idea; the *Catta* has absorbed every other element and the Stupa itself has become merged in the tiers of the umbrella. The nine- and eleven-storied Pagodas of Cakranagara are called Meru. Later, as more essentially Buddhist thought came to predominate, the *Catta* became identified with the Tree of Enlightenment (*Bodhi*). In the formalised *Catta* the later idea came to take foremost place, so that not infrequently in later Stupas the cone itself was surmounted by an umbrella.



Great Pagoda at Prome, Burma

The fundamental elements of the Stupa can be read as psychological indices. The starting principle is the circle, the symbol of concentration. Considered three-dimensionally, the edifice is hemispherical, and symbolic of the principle of concentration in the higher dimension, which not only integrates the forces of one plane, but produces an equilibrium of all, a harmonious coming to rest upon the gravitational centre. There is complete absence of tension between the surface planes and centre. The earlier Stupas tended towards a flattened shape, solidly resting on the

ground. They were thus indicative of the non-metaphysical realistic approach of Buddhist teaching in the primitive schools. The preoccupation was not so much with heaven or the life after death, or even with philosophy, as with the actualities of life. In ethics and morality generally, Buddhism had re-established the legitimate requirements of life as it is. Heaven was to be realised here and now, not in any cloudy wonderland of the future. Later, as scholasticism and metaphysical speculation gained the ascendancy, the Stupa became the Ivory Tower of metaphysics.

DOCUMENTARY AND EDUCATIONAL FILM-MAKING IN INDIA

by Winifred Holmes

THE Government of India has replaced "Information Films of India"—dissolved in 1946—with a new unit called "Indian Documentary Films," under the general producership of M. Bhavnani, a big name in the Indian Cinema. I.D.F. is controlled by the Films Division in New Delhi whose objects are to make newsreels—Indian News Review—and films for visual education. It comprises six units, four of which make documentary films for use in the ordinary cinemas, which are bound by law to include one in each programme. These "shorts" run for about ten minutes and must have entertainment value as well as being generally enlightening, or they will not stand up to the popular feature with its film stars and its songs and dances. These theatrical films are released in Hindustani, Bengali, Tamil and Telugu.

The job of a fifth unit is to make films for external use, e.g., to show India to the outside world. The sixth unit's work is to make "rural specials," direct instructional films to be shown in the villages. There is little electricity in India as yet outside the bigger towns and, therefore, education by radio and film must be done by means of mobile vans which usually make use of both media. These films will be simple, personal in approach, slower in tempo and will fit the special needs and conditions of a certain area of the country. These rural films are all to be sound films and will be made in four languages—Hindu, Gujarati, Tamil and Bengali; not in English at all. The Films Division has set up a library for which it buys suitable films from abroad.

The Provincial governments have also set up film units. These chiefly provide news-reel material, but it is hoped to produce some special instructional films. The difficulty is money. With so much to do to raise the standard of living these Governments have not much to spare for what is in fact an expensive medium of instruction and propaganda. But they are fully aware of the importance of films at this stage in their country's life and progress.

In addition to this general work of enlightenment, more direct educational films for use in schools and colleges are being planned. At an all-India conference of teachers and welfare workers in Delhi in 1948 it was decided to use visual aids in schools and colleges and for special purposes

in adult education, and I.D.F. is now beginning to make some films primarily for schools and colleges. These are all 15 minutes long, and teachers are invited to collaborate with suggestions and advice. Schools without projectors arrange special shows for the children at cinemas on Saturday mornings. In addition the Board of Education has set up a Central Film Library and lends 16 and 35 mm. films free of charge to schools, teachers and welfare workers.

What type of films is the new Unit making? What are the subjects chosen? And how are they treated? The answer is less background material than in the old I.F.I. days and more direct reference to the things the new government is coping with—present-day economic problems, for instance, and information about the country's industrial potential.

The subject of food storage has been brought up to date with a new film called "War on Waste." In it the need for better food preservation is stressed so that the present waste of over two million tons of food grains a year can be prevented and so release the Government from the necessity of importing that amount of extra food. It shows



From "Tree of Wealth," a Films Division's documentary on the limitless uses of the coconut

the scientific methods the Government employ to store and preserve food and those which ordinary people can put into practice. "Fibres to Fabrics," a film on India's cotton industry, from the growing of cotton to the finished fabric, underlines the need for a higher output from Indian mills to satisfy the increasing demand for cotton textiles. "India's Lifeline" is a film about her vast railway system. "The Cup that Cheers," is the story of the cultivation, manufacture, marketing and export of tea, an industry which gives employment to a million workers.

"Planned Parenthood" is the name of a courageous film which informs the people about the crushing burden of population increase of over five million people per year. Planned Parenthood is advocated and the explanation given that by limiting the size of families, a better chance in education and after life can be given to the country's sons and daughters. This film is for internal use only.

"Blossoms Revived" is a documentary film about polio. It was directed by Krishna Gopal, one of I.D.F.'s finest directors. He has used a human story, that of one case in which the mother's courage saved her daughter's life with the help, skill and devotion of doctors and nurses. The aim of the film is to teach the people something of what they themselves can do to help patients and assist medical science in such cases.

"Dirty Habits" shows some of the personal habits which have become second nature to many people and which are thoroughly unhygienic and encourage the spread of disease.

Other important films already made, or in the process of production, by I.D.F. are "Rivers in Harness," on the great hydro-electric scheme and "New Pastures," a film on land reclamation. The reclamation of land lost to farming and gone to waste for various reasons is one of the big projects the Government is putting into force to increase food production.

In addition to these Government films, there is another independent documentary unit doing excellent work. This is Paul Zils' unit, Documentary Unit, India, which made the three U.N.O. films, "Mother," "Child" and "Community." The Government have bought and are distributing two of this unit's films, "A Tiny Thing Brings Death" about the cause and prevention of malaria, and "Kurvandi Road" which describes how a new road came to a village and the great advantages it brought the people. The technique used in these films is perhaps the most telling of all for influencing and teaching, or rather, persuading, simple people. A personal story on familiar lines with an intimate commentary spoken as if by one or other of the protagonists in the film, brings the story right home to Ram and Motilal and their wives, Sita and Annamah.

Then, the people of the villages, the people to whom the film is addressed, should have a hand in it and be allowed to make suggestions. When Paul Zils and his unit made "Kurvandi Road" he interested the village people of Kurvandi so much in his project that they themselves suggested angles of thought and approach which were stronger and had more bite to them than anything he had thought of beforehand or would have dared to suggest.

It is very important to remember in planning such films that although they are being made for illiterate people these people are adult and not children, nor are they mental defectives. They are just as intelligent within their scope as



From "Blossoms Revived," a documentary on polio, released by the Films Division

anyone else. Lord Boyd Orr said publicly in London a few months ago, on his return from India as Food Adviser, that he found the Indian villager to be one of the keenest and most intelligent farmers he had come across. "He knows perfectly well what he needs to improve his farming, but what he doesn't know is how to get them. He has a keen brain and a good sense of humour."

It is important not to talk down to these people or to underrate their intelligence. Illiteracy there is not synonymous with stupidity as it is here in the West. Instead it is lack of opportunity. Tact must be used in approaching them. The methods of doing things, the old ideas that are to be replaced with new ones may have been in use traditionally for thousands of years and cannot easily be upset in a day. Persuasion, not coercion must be used, since adult people cannot be forced to give up their cherished customs and ways unless they can be presented with a reasoned case in such a way that no one is made to feel inferior or a fool.

If an audience can be put into a good humour and be made to feel happy and at home in the first few frames of the picture it will take the pill without resistance. The Indian is merry-hearted, not melancholy. He likes to laugh, and he is quick to respond to appeals to his sympathy and emotion. The producer must understand what are the deep-seated ambitions of the people—a woman to have sons . . . not to become a widow . . . a man to pay his way and marry his daughter well. . . . He must use these aims or wishes for motivation and must not be afraid of emotion. These people are emotional and quick as lightning and very suggestible.

They must never be bored. At first the speed of quick cutting may confuse them if they are not used to seeing

films. But that phase soon passes and they are as quick as any other adult to pass from image to image and to take on an association of ideas—the essence of the film-medium.

Given the best photography possible, plenty of music, which they enjoy enormously, a logical progression of ideas and a simple friendly commentary which takes them right into the spirit of the film; a story typical of their own lives,

or with a universal human interest—and one can interest and teach them anything. And the Indian so adores a show and village life is so narrow that he will walk miles and miles to pay a visit to a travelling cinema show or entertainment of any sort. This love of circuses as a change from scrabbling for too little bread can be turned by the educator to great advantage.

ORIENTAL FISHING METHODS

by David Gunston



Cormorant fishing by night on the Nagra River, Japan

THE spate of new inventions and devices for catching fish which are now springing up all over the Western World have so far not yet reached the East, where primitive, unorthodox and always ingenious fishing methods still prevail.

The basis of most of these is to employ creatures which secure fish as a natural food. Prevented from eating their quarry in the usual way, they are taught to yield up the results of their fishing to their human masters.

Cormorants are mostly used for this purpose as they have been recognised for many centuries as superior fishers that can be tamed with ease. In China, Japan and Malaya the peasants have kept themselves alive with cormorant-caught fish since earliest times. The sluggish or stagnant rivers and lakes, often fringed with dense reed-beds, make such fishing a simple procedure, but the birds are also used at sea off the coasts, for they are, of course, primarily salt-water creatures.

The actual technique varies but little in different countries. The birds are taken when very young and patiently taught the artificial modification of their art. Frequent raids on the large and smelly cormorant rookeries are made to carry off suitable chicks, and they are prevented from actually swallowing their catch either by a metal ring round the long thin neck, or by a leather leash with a close-fitting loop that serves the same purpose. Sometimes the birds also have a fitted harness by which they are hoisted out of the water. The lead is usually made of spruce fibre cord and is about twelve feet long. Each bird knows its master, and two birds is about the limit for one man to handle simultaneously.

Fishing is always done at night from sampans or small prahu sailing boats, and the birds are held at the ready on the gunwhales, leads in position. Blazing torches illuminate the scene and attract the fish, which may be driven into the area to be fished by loud shouts and bangings in the boats. Then men put the cormorants over the side, guiding and controlling them with ease, and as soon as their beaks and gullets are full of fish they are drawn in, relieved of their catch, and lowered into the water once more. A well-trained bird may catch over 50 fish in a night, and the record is nearer 150 fish of all sizes. The fisher-birds are usually rewarded with a few small fish, and the large ones are kept as human food.

In Japan cormorant fishing was a very old trade even in medieval times, and was regarded as highly disreputable. Orthodox Buddhists held it in scorn. This view of the opinion in which this form of fishing was held, and a very good idea of the kinds of life it entailed among the fishermen is given in a short play—"Ukai," the cormorant fisher, which is ascribed to Enami no Sayemon (about 1400 A.D.).*

Also Otters have been trained both to catch single large fish without eating them, and also to drive shoals of fish towards nets. Bishop Heber records having seen nine or ten "very beautiful" otters in Pondicherry, tethered with plaited straw collars and long strings to bamboo posts, on the banks of the Matta Colly. Most of the local fishermen kept at least one or two of these animals, having trained them to fish for him at an early age. They were as tame as dogs and were an essential part of local fishing methods. They romped on the river banks and basked in the sun,

*See Arthur Waley *The No Plays of Japan*.

when not fishing, being tethered loosely by their leashes, and were obviously contented with their unnatural lot. Otters are still employed in this fashion in Ceylon.

Chinese fishermen are adept at using a species of carp as a decoy bait for other fish. Male carp are specially trained to ignore the attention of numerous females of their own and similar kind, and are lowered into the water bearing a cord round their tails. The female fish are soon attracted and begin to fasten themselves on the hapless decoy with their mouths. So firmly do they adhere in this way that as many as ten fish have been pulled out of the water with the lure. Occasionally female fish are used as the decoys and the method works equally well both ways.

In China and elsewhere in the East turtles are caught

by the skilful employment of the remora, or sucking fish. This smallish sea fish has a large oval sucker on the crown of its head by means of which it fastens itself securely on the undersides of turtles, sharks and other large fishes, even to the hulls of ships. A few remoras are first caught and strong cords tied round their tails. They are then released in the sea and, seeking an easy living from the remains of the meals of their hosts, quickly set about securing themselves to the nearest one. As often as not a turtle is chosen, and once the remora has become stuck on to it, both fish and turtle can be pulled in with very little trouble. As with the cormorants and otters, the remoras can be used over and over again, as long as their leads are intact.

ECONOMIC SECTION

Pakistan's Rubber Manufacturing Industry

by Howard Fox

UNLIKE the neighbouring Dominion of the Indian Union no raw rubber is produced in Pakistan. Nor is any such production contemplated. The expanding rubber manufacturing industry is therefore wholly dependent upon imports for its continued working. This article represents an attempt to survey this industry as at present constituted and to indicate the directions in which further development is planned.

The manufacture of tyres and tubes in Pakistan is woefully below even existing requirements, which, according to reliable estimates, are annually as follows:—

Car and giant tyres	...	60,000
Car and giant tubes	...	70,000
Cycle covers	...	500,000
Cycle tubes	...	600,000
Aero tyres and tubes	...	500
Tractor tyres and tubes	...	300

Save for cycle tubes there is no production capacity in the country. As for capacity under development, a plant with a yearly potential of 3.5 lakhs of tyres and 3.5 lakhs of tubes is being installed in Karachi. This serious overall manufacturing deficiency must be seen against an expectation that by 1954-55 a 30 per cent increase will have taken place in the country's existing requirements of car, bus, lorry and cycle tyres and tubes. As regards aero and tractor tubes and tyres, a ten-fold increase has been forecast. No imports will be needed when tyre and tube factories of the size contemplated have been set up.

The Government have undertaken a survey of condi-

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tions in Pakistan and have consulted a well-known firm of manufacturers as to the economic advisability or otherwise of establishing this industry in the country. It is understood that the total capacity of the plant likely to be installed will be 600 tubes and tyres a day of various sizes. This capacity may be expanded in due course by 25 per cent.

More than raw rubber will be required by way of imports to feed this new industry. Textiles, a wide range of chemicals, dyestuffs and wire will also be called for and none of these extra raw materials are yet produced in Pakistan; raw rubber is imported without any duty. Chemicals, textiles and dyestuffs, etc., on the other hand, are imported under heavy import duty ranging from 30 to 60 per cent.

To sum up it seems clear that initially the Government may have to sponsor the entire project. Once this has been done, however, private capital, both indigenous and foreign, may become available. Almost certainly the Government will have to provide land, electric power, raw materials and technical personnel.

The remaining rubber manufactured goods which Pakistan needs may be dealt with under five main categories:—

- Dipped goods (teats, nipples, valves, etc.).
- Moulded, surgical and sports goods (hot water bottles, catheters, football bladders, etc.).
- Extruded goods (rubber pedals, cycle brakes, etc.)

Fan belts.

Hoses (articles requiring layers of textiles).

The following table sets out the present requirements of these goods against existing capacity:—

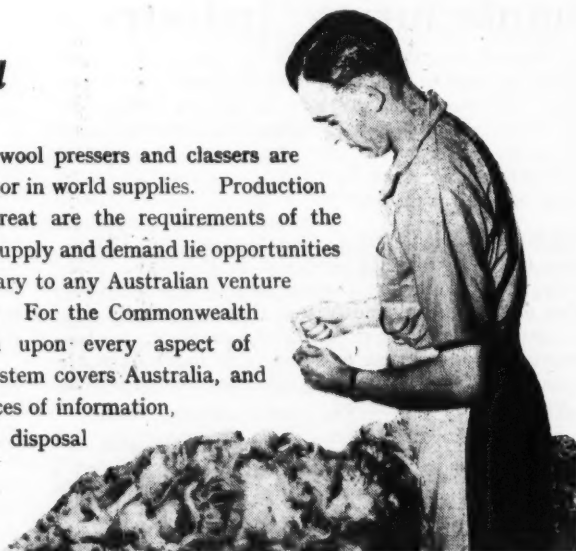
	Annual Needs	Annual Capacity
Dipped goods ...	50 tons	100 tons
Moulded goods ...	60 tons	100 tons
Extruded goods ...	700 tons	1,000 tons
Fan belts ...	60,000 lengths	Negligible
Hoses (various) ...	800,000 feet	1,000,000 feet

As to production, the existing factories satisfy upwards of two-thirds of Pakistan's requirements the balance being imported. Production locally is restricted because of large-scale imports from such well known firms as Dunlop, Good-year, etc. Plant to yield another one million feet of hose is under development together with a fairly large factory for the manufacture of rubber shoes in Eastern Pakistan.

Looking towards 1954-55 the Pakistan authorities expect that the demand in these five categories of rubber manufactured goods will rise above present levels by 50 per cent and that except for certain special items like fan belts, tennis balls and foam cushions, no imports of other rubber articles will be wanted. Substantial developments are therefore in prospect for those industries connected with the manufacture of hoses, fan belts and rubber footwear.

Supply—and Demand

From April through to January the shearers, wool pressers and classers are busy, for the Australian wool clip is a major factor in world supplies. Production in Australia is on a grand scale. Equally great are the requirements of the Australian consumer—and in this magnitude of supply and demand lie opportunities for British business houses . . . A wise preliminary to any Australian venture is consultation with the Commonwealth Bank. For the Commonwealth Bank *knows* Australia. Its activities touch upon every aspect of Australian life and industry and its branch system covers Australia, and New Guinea. It has, therefore, unrivalled sources of information, and this information it gladly places at the disposal of business houses in Britain.



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Company Meetings

CHARTERED BANK OF INDIA, AUSTRALIA & CHINA

THE ninety-sixth ordinary general meeting of the Chartered Bank of India, Australia and China was held on April 4 at 38, Bishopsgate, London, E.C.

The following is an extract from the statement of the Chairman, Mr. V. A. Grantham:—

Compared with last year's figures, Current and Other Accounts, Fixed Deposits and Acceptances, are greater by £8,105,084, £963,294 and £7,058,158 respectively, whilst on the Assets side, Cash in Hand and at Bankers at £25,994,576 shows the substantial increase of £6,528,940 the ratio to our call liabilities being 22.13 per cent. Government and Other Securities, apart from those lodged against our Note Issue, have been reduced by £3,881,002 and this reduction is reflected in the increased Cash Position and in increased Advances to Customers and Other Accounts which have gone up by some £2,263,391, once again indicating the substantial extent to which we are assisting our customers and taking our full share in financing world trade with Eastern Countries.

The nett Profits for the year at £515,592 are higher by £48,481 than last year in spite of continually increasing working costs in all parts of the world. In almost every Eastern country in which this Bank operates however, working conditions have deteriorated during the year and it would be natural now to expect diminished nett returns, especially from centres where business is already having to be restricted. It may not be sufficiently realised how greatly taxation in all centres reduces the nett remuneration the Bank earns for the vast services it renders in all the many countries where it is established. Even where conventions exist which provide relief from double income tax, the application of Business Profit Taxes abroad, as well as at home, effectively reduces nett profits to modest proportions, whilst, where no such conventions are in force double taxation operates to cut down nett profits to fractional dimensions.

An interim dividend was paid in October last of 6 per cent less income tax, absorbing £99,000 and it is now proposed to pay a final dividend of 6 per cent less income tax costing £99,000 nett. Again this year, your Directors recommend allocation to the Pension Fund and Widows' and Orphans' Fund of £100,000 and £15,000 respectively.

Recent developments in Asia render it no longer possible to take a completely detached view of the individual areas, for, while in Malaya the struggle against the insurgents may be said to be proceeding fairly satisfactorily if slowly, the Com-

munist victory in China has intensified the existing dangers of upheaval in all the adjacent countries. The urgency of the danger inherent in the present situation is perhaps most clearly exemplified by the continued need for food throughout Asia and the threat which overhangs Indo-China, Siam and Burma, Asia's ricebowl; but in almost all Far-Eastern Countries inflation is rife to an extent which, with its underlying causes, places in peril the very existence of their peoples and their ability to maintain themselves above the starvation line.

When India decided, following the action taken by the British Government, to devalue the rupee in line with sterling while Pakistan decided otherwise, the whole operation of the Payments Agreement ceased and, at the moment, trade between the two Dominions is nearly at a standstill. It is estimated that during the year imports of food costing over Rs. 180 crores have been required and the provision of adequate food for the peoples of India continues to be a major factor in the country's economy. Labour conditions on the whole have shown some improvement but efficiency of production has not yet reached a satisfactory standard. Hopes have been expressed that the inflationary tendencies noted last year have been checked.

Surprisingly, Burma, still in the throes of internal strife, was able during 1949 to implement, almost to the full, the estimated exportable surplus of rice amounting to some 1,250,000 tons, but it is anticipated that the exportable surplus for the coming year will be around 800,000 tons, and the future of the country is most uncertain.

Ceylon has again enjoyed a year of modest prosperity. By a judicious handling of the proceeds of exports and a strict economy in the use of foreign balances, the Government has been able to import all food, as well as the other necessities required for the Island Dominion's well being, without unduly disturbing the cost of living.

The chief factors affecting the economy of the Federation of Malaya and the daily lives of the community in the period under review have been the continuance throughout the year of widespread banditry, the devaluation of the pound sterling in September and the re-opening in November of the London Metal Exchange to free operations in tin. During the year, exports to the United States totalled some \$430,000,000 thereby bringing into the Empire pool some U.S. \$175/200,000,000.

The somewhat delicate position in Hongkong is too well known to require recapitulation at my hands. With every new development in the Far East, Hongkong demonstrated its adaptability and continued usefulness as an entrepot port without rival. Each year Hongkong's trade figures surpass those of the previous year and 1949 was no exception. As usual the bulk of the trade was with China, the United States and the United Kingdom in that order.

Little is known of the future which may

await us in China, where this bank has been established for nearly a century, and we can but wait and see.

It has been my custom to devote my few closing remarks to the position in Great Britain in relation to the countries this bank serves through its chain of branches. In practically all these countries, inflation is present in greater or lesser degree.

While British trade, in the opening stages after devaluation of sterling, has shown considerable resilience—a resilience which has also been passed on in some measure to the countries in the Far East with currencies aligned to sterling—and the prosperity of the United States has stood up well to the shock of the appreciation of the dollar against almost all the currencies of the world, problems of real difficulty are calling for solution in both countries and it must be very clear that any marked recession in the prosperity of the United States or in the trading position of Great Britain could not fail to have serious repercussions upon all countries in the world and especially perhaps upon those in the Far East in which we are so interested. Nevertheless, trade and commerce are the very life blood of all these countries and, in spite of the many uncertainties inherent in the disturbed conditions with which they are assailed, I hope that the bank will continue to play a notable part in the furtherance of the trade of these areas, without which none of them can hope to prosper.

NATIONAL BANK OF INDIA

THE annual general meeting of the National Bank of India, Ltd., was held in London on March 28.

The following is an extract from the statement of the Chairman, Mr. J. K. Michie, circulated with the report and accounts for the year to December 31, 1949.

The balance sheet total at £92,972,507 shows an increase on the previous figure of just over £10 million. Current accounts and deposits have risen by about £9 million; on the other side advances have gone up by £7 million and cash by over £5 million, while investments have fallen by just under £4 million. Investments had to be realised when advances reached a high level in 1949. This expansion is due in part to Pakistan balances being valued at the new rate of exchange of 2s. 2d. to the rupee.

After making full provision for taxation, bad debts and other necessary reservations, net profits are £593,750 against £523,950 for 1948. This larger figure is partly accounted for by dividends received from Grindlays Bank Limited, but is also a reflection of an increased business.

The increase in our capital requires a larger sum to cover dividends while considerable expenditure incurred and in prospect has made it advisable to allot £50,000 to premises account against £30,000 last year. We are again able to

place £100,000 to reserve fund, and this, coupled with the sum of £121,250 transferred from inner reserves previously made and no longer required, brings our published reserve funds to the satisfactory total of £3,500,000 apart from the carry-forward, which is slightly increased at £279,906.

Last year I mentioned the large volume of our commercial advances and some of the causes. These factors persisted throughout 1949; production costs, though tending to stabilise, remain high and capital markets, where they exist, need very considerable inducement, showing that Central Bank rates are no longer the dominating criterion of money values. On the other hand, the devaluation by the sterling area (excepting Pakistan) in September last, which was in fact a recognition of an inflationary situation, has brought relief to primary producers in India, Ceylon and East Africa.

Unfortunately, the different policies followed by India and Pakistan in regard to their exchanges have had consequences inimical to the economies of both countries, and as I write five months after the announcement of devaluation no rate of exchange between the Indian and Pakistan rupees has been agreed by these countries, whose principal trade has always been and should be with each other. Apart from

transactions covered at unofficial rates of exchange, there is, therefore, no trade passing between the two countries. One result is that the Government of Pakistan is being forced to finance the jute crop pending export, while Calcutta mills wonder where their raw material will come from. Another that Bombay Cotton Mills buy cotton for dollars from the U.S.A., while from Karachi, which is virtually next door, cotton is being shipped to distant markets.

I have little doubt that the statesmen in both countries are tackling the problem of reaching a working understanding, for they know far better than any onlooker can that failure to reach one will entail consequences that cannot be confined to economics alone.

A brighter portent is that Pakistan has just taken the necessary preliminary steps to becoming a member of the International Monetary Fund and the International Bank for Reconstruction and Development. A trade mission from this country is now in Pakistan and nothing but good can come out of such friendly contacts.

Ceylon as a producer of tea, rubber and copra has benefited from the devaluation of her currency for in all cases prices have risen. In the near future the State Bank of Ceylon will open its doors and will take

over the management of the currency of the Dominion from the present Currency Board. The State Bank will provide the very necessary facilities not now available for covering exchange when this is not obtainable in the ordinary market.

Banking, perhaps overseas banking particularly, continues to be presented with problems the responsibility for which lies in other hands.

There are, for instance, the ever-present risks of currency revaluation, but that apart, the three most important factors contributing to this situation are the scarcity and shyness of investment capital, the high incidence of taxation and the high costs of production. It is simple to see how these three factors are inter-related and how they react on each other and on banking problems. And I submit that the crux is taxation, for it can hardly be gainsaid that reductions in such levies would both create and release risk capital, of which there is such an obvious dearth, and tend to reduce costs.

Assuming that "the State" is not to be the sole purveyor of capital in the future, a reduction in direct taxation would be a tremendous encouragement. Failing such action, I can foresee a considerable period of stalemate and economic stagnation. It is most encouraging to see India giving a lead in this enlightened policy.

BANKING IN THE INDIAN SUB-CONTINENT (2)

by L. Delgado

THE early joint-stock banks in India were all under European management and control (which did not save many of them—be it noted—from having to close their doors in times of difficulty). From 1905 a number of important joint-stock banks have been established under Indian boards of directors, or with mixed boards, and their share capital has been almost entirely subscribed by Indians. Many of these banks were established with insufficient paid-up capital, their cash reserves were not large enough, and they locked up their assets in mortgages on real estate or by investments in shares of industrial undertakings. It may be said that the banking crisis of 1913, the most serious since 1868, was largely caused through such faults of organisation and management.

Up to 1862, banks had the right to issue notes, but this function became the prerogative of the Government after this date. In 1876 the Government relinquished its share of the capital in the Presidency Banks and the right of appointing Directors. The Presidency Banks thus lost their official character, but they remained distinct from the other banks as they were governed by a special charter (the Presidency Banks Act of 1876) until their reorganisation into the Imperial Bank of India in 1921. These banks suffered from being denied access to the London money market, a privilege reserved to the Exchange Banks. This was unfortunate because the Indian money market was (and

remains to this day) inelastic and rates frequently soared to high levels. There is no reserve of wealth which can be tapped when necessary: even a high rate of interest will not attract deposits because there are little or no liquid funds to attract. This inelasticity in the currency was only partly rectified when by the Act of 1920 the Imperial Bank was allowed to borrow from the Controller of Currency in the shape of an emergency note issue, a practice with highly dangerous potentialities. Gradually the Presidency Banks widened their activities. They opened new branches in order to tap the savings of small investors in scattered villages.

In 1921 the three Presidency Banks, those of Bengal, Bombay, and Madras, amalgamated to form the Imperial Bank of India. This has become the premier bank in the sub-continent with more branches than any other bank. It was the banker of the Government, but this business was later naturally transferred to the Reserve Bank. The Imperial Bank has aided trade very considerably and rates have fallen everywhere as a direct result of its influence. The competition of this bank was, in fact, so widely feared by other banks that it was suggested that the Imperial Bank should not be allowed to open a branch where a joint-stock bank already existed, a course which fortunately was not followed. In nearly half of the places where the Imperial Bank is found there is no other bank.

For some time the relations of the Imperial Bank with the Reserve Bank were confused. Like all central banks, the Reserve Bank was intended to control but not compete with the joint-stock banks. But the Imperial Bank was in a special position inasmuch as it had for some years been the bankers' bank as well as government bankers. It was not unnatural therefore that the Reserve Bank looked upon it as an unfair rival rather than as a friendly partner, and the ensuing feeling of distrust was not removed until the Government transferred its banking business to the central bank. A measure further tightening the control of the Reserve Bank over the commercial banks was taken in 1935, when it was enacted that the banks were to keep 5 per cent of their current accounts and 2 per cent of their time deposits with it. This balance at the Reserve Bank has had the result of improving the cash ratio of the commercial banks.

An interesting and important aspect of banking developed during the period 1860-1913, when the Exchange Banks dominated the field of international trade in India. These banks fall into two groups, those doing a considerable proportion of their total business in India, and those which are mere agencies of large banking corporations doing business all over Asia. In the former group are the Chartered Bank of India, National Bank of India, Mercantile Bank of India, and the Eastern Bank. In the second group are Lloyds Bank, the Comptoir National d'Escompte, International Banking Corporation, Hongkong and Shanghai Banking Corporation, Nederlandsche Indische Handelsbank, and the Nederlandsche Handels-Maatschappij. All these banks have greatly increased their deposits in India: they are in a strong financial position. They remain faithful to the purpose for which they were formed, and are not interested in the internal trade of the country. Until the establishment of the Reserve Bank, the Imperial Bank had been forbidden to deal in bills of exchange payable outside India, while very few of the native banks undertook this business. The entire foreign trade of the country was thus in the hands of the Exchange Banks.

Banking in the sub-continent may be said to be contained in water-tight compartments. There is fairly close working between the various types of European banks, but the tie becomes much more tenuous when we consider the native joint-stock banks, while between these latter and the shroffs and other indigenous bankers the liaison is of the slightest. A few indigenous bankers of good standing have rediscounting facilities at the Imperial Bank and other joint-stock banks, particularly in Bengal. In Bombay, the joint-stock banks have drawn up lists of approved shroffs, and they are granted limited advances. But on the whole, the joint-stock banks do not like indigenous bankers because they refuse to disclose their accounts. Very often cheques drawn on indigenous banks are refused by the joint-stock banks and credit enquiries invariably receive unfavourable reports.

The lack of liaison between the various strata of banking has the unfortunate result that the riches of one area cannot be made productive in another area to the mutual advantage of both. This is one of the most important functions of branch banking everywhere. This is particularly unfortunate in India, where, of 2,500 towns of some size only 400 have a bank. The country is preponderantly

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agricultural and this vast potential wealth (it is no more than this) is in the hands of money-lenders.

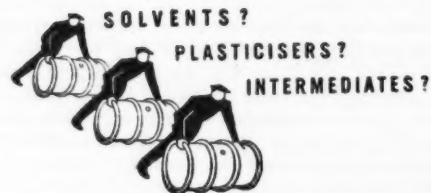
Between the two wars we have witnessed the conversion of some of the indigenous banking firms into private banks of modern type, issuing cheques and having several branches. But this is a development that has not gone far. While interesting, the development must be viewed with guarded optimism so long as these banks do not publish figures in a prescribed form.

How do the banking facilities available help the economy of the country? By far the most important industry is that of agriculture, which employs the vast majority of the population. Agricultural finance is not easy anywhere, and it is particularly difficult in India. Here it is a small-scale job which does not expand. The farmer cannot raise capital except by pledging his personal credit. He has exceptional risks due to weather and disease as well as those arising from price fluctuations. The produce has not an elastic supply so that it is not possible to adjust supply to demand. The industrialist can control production, and a workshop can be readily abandoned, but a farmer cannot to this. Yet the farmer must have capital if he is to improve his holding or even to exist at all. He needs short-term credit for the purchase of manures and seed and for the movement of crops; medium-term credit is required for such things as levelling, deep ploughing and fencing; and long-term credit is necessary for permanent improvements, such as drainage and buildings. And none of these types of credit is available to the peasant-proprietor except through the shroff.

Agricultural finance is not liked by the commercial banks for several excellent reasons. For long-term finance the farmer can offer only his land, which is most unsuitable security because it is not readily realisable, and there may be difficulties in connection with titles and restrictions. Moreover, farming is in the hands of small peasants, so that credit would have to be supplied in small amounts to thousands of individuals. The Imperial Bank has financed large landlords against personal security, sometimes against the hypothecation of crops. It should be noted, however, that many Indians feel that pledging stocks implies a loss of credit and do not avail themselves of the facilities offered.

In country areas there is no confidence in banks. The illiterate and ignorant farmers prefer to use whatever savings they have to obtain ornaments, to purchase land, or to lend to neighbours. He is also too prone to hoard against the expenses of marriage and funeral ceremonies. Even the middle-classes in towns, small merchants and professional men, invest their savings in loans to neighbours—this wretched moneylending virus poisons the whole economy of India—or in landed property or in Government, municipal or port trust securities.

With regard to the finance of industry, the same criticisms are heard in India as elsewhere—that only the prosperous and well-established firms are helped and then only for short term. The banks, being banks of deposit, properly hold that long-term investment in industry should be undertaken through public issues of shares or debentures. But this is not easy in India. The vast majority of the people are very poor, and the few who are very rich (there is no middle class except in a few large towns) have their



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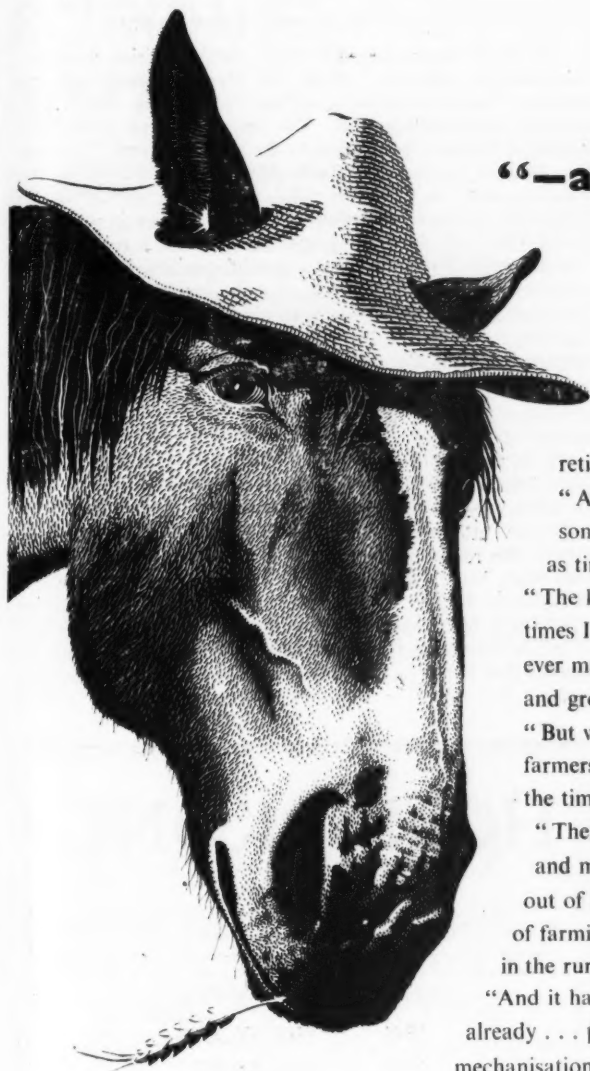
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wealth locked up in precious stones or in ornaments of gold. This wealth cannot be put to productive use and is not wealth in the strict sense of the term. To hoard gold and jewels in this way is far from being exemplary: it is an anti-social practice of the worst possible kind.

The overall picture of Indian banking is thus one of sombre colours, with only a few highlights when we look at the foreign trade of the country. As has been said, the vast wealth of the country is in such form that it cannot be put to productive use. In a country of agriculturists it is just agriculture that is so terribly under-capitalised.

With the mediaeval conception of finance that exists throughout the sub-continent, it is not surprising that modern banking has made but little headway or that there have been a considerable number of bank failures, chiefly among native banks, particularly during the period 1913-35. These failures have themselves affected the attitude of people towards bank deposits.

We are inevitably drawn to the conclusion that in the sub-continent, as in other places where banking habits are not ingrained into the people, the financing of production, and specially of agriculture, is not effectively achieved through a banking system modelled on Western lines. A primitive agricultural economy requires special financial assistance, such as cannot and should not be provided by a bank of deposit. The long-term commitments that are required should be undertaken by specialised institutions that could be set up by the Government or, perhaps preferably, by the State in conjunction with the bank and insurance companies. Australia and Canada both have special

banks to make advances to farmers. In India and Pakistan and in the East generally the need is much greater.

Nothing has occurred in India since partition to relieve this unhappy picture. Both the Reserve Bank and the Imperial Bank have been nationalised. The other commercial banks remain free. The Imperial Bank is the most powerful financial institution in the sub-continent. The very functions of the Reserve Bank depend upon a close understanding with it. It was vital that there should be no difference of opinion between them: it was in order to avoid this risk that the Imperial Bank was taken over. The Imperial Bank occupies a special position in the banking structure of the country, if only for the fact that its branches are spread over both dominions. It forms an important part of the banking system of Pakistan, particularly in the West Punjab, the N.W.F.P., and in Sind.

Nationalism may be very fine when embodied in constitutions or in the name of liberty, but it is an economic curse. India and Pakistan are an economic whole, yet partition has torn them asunder. A political idea has turned them into foreign countries whose relations to one another are not too good. Both dominions are bound to suffer from their new attitude to economic affairs. In the banking sphere, the result has been that Pakistan has established its own State bank, which took over from the Reserve Bank of India in 1949. One of Pakistan's banking difficulties will be that of personnel. The average Muslim is much less an office employee than the Hindu and has an outlook on finance that is not in accord with modern economic requirements.

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ECONOMIC NOTES

U.K.—INDONESIAN TRADE AGREEMENT

The trade talks between the United Kingdom and the United States of Indonesia were concluded on March 29th. The meetings were attended by observers from the Netherlands Government.

Most of Indonesia's exports to the United Kingdom are either bought on Government account or freely importable by private traders. It is estimated that a total of nearly £12 millions of commodities will be sold to the United Kingdom from Indonesia during 1950, the principal items being copra, palm oil, tea, rubber and hides and skins.

Indonesia's imports from the United Kingdom during 1950 will continue to be limited owing to Indonesia's balance of payments difficulties, but quotas will be made available for

United Kingdom exports up to a total value of over £7 millions. The principal items are machinery and electrical equipment, motor cars, textiles, chemicals and pharmaceuticals.

The Indonesian delegation has emphasised that it is important that the prices of U.K. goods should be fully competitive with those of other countries, having regard to their quality, while the U.K. delegation drew attention to the important part played by merchants in Singapore and Malaya in promoting trade between Britain and Indonesia.

It was realised by the negotiators that the present agreement may have to be revised in the near future, as the energetic steps taken by the Indonesian Government on March 11th are expected to improve that country's exchange position. The previous foreign exchange regime in Indonesia was an impediment to the development of exports and resulted in a serious discrepancy between the cost of import commodities and local price levels. This caused many illegal commercial transactions and promoted smuggling. To improve the condi-

tions drastically, Indonesia has decided to change her foreign exchange regulations and to put into effect a new scheme for export inducement.

Exporters, upon presenting the bill of commodities exported, will first of all receive the proceeds in Indonesian currency. Besides, they will be given a so-called foreign exchange certificate amounting to half the sum paid out to them in Indonesian currency. These certificates, in combination with an import permit or a foreign exchange permit, entitle the holders to

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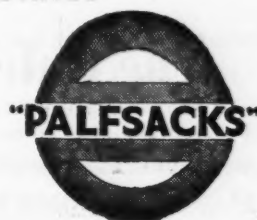
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buy foreign exchange up to the nominal value of the certificate. Exporters, if not themselves holders of foreign exchange permits, will sell the foreign exchange certificates to bankers who will negotiate it to importers at the full nominal value. Of the proceeds one half will go to the exporters while the other half will be used by the Government towards decreasing their large budgetary deficit. The Indonesian authorities hope that this scheme will greatly benefit export trade and that it will make available a greater volume of foreign exchange for the import of consumer goods and much needed capital goods.

KOREAN REPUBLIC ECONOMIC PROGRESS

A flattering account of the economic progress made by the Republic of Korea has been given in a report drawn up by Dr. Arthur Bunce, chief of the United States economic aid in Korea. Industrial production, he maintains, has increased by 50 per cent over 1948 levels; self-sufficiency in food has been attained; the half-way point has been reached to the 1953 target in coal production and 327

irrigation projects have added 77,000 extra acres to the arable land. The financial situation has become "fundamentally sound" and the Korean Government, in Dr. Bunce's view, has taken "realistic steps" to counter the threat of inflation. All this has been carried out under very difficult conditions, though Communist guerrilla activity had been less intense than last year. Supporting the Bunce report before U.S. Congressional Committees, convened to consider \$100 million aid for Korea during the next financial year beginning July 1st, Dr. Edgar Johnson, head of the Korean aid programme, spoke of the great improvement in Korea's dollar deficit. Last year, he stated, the estimated dollar deficit which the country would have in 1953 was set at \$35 million. This year, the estimated deficit has been revised downwards to \$15 million.

There is difficulty about the fertiliser position. Much still has to be brought in from the U.S. and production facilities are being expanded. There is no disposition in the U.S. State Department at the moment to consider the

Korean Republic a bad risk. "There is good reason to hope from progress made thus far," lately said Mr. Dean Acheson, Secretary of State, "that with our assistance, the Republic of Korea can survive and thrive."

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John Dalton



an English Quaker, was the first to propound the theory that the atom was the smallest particle of matter imaginable—a theory that was not assailed until more than a century later. Even in Dalton's day, the idea that matter was composed of small indivisible particles was not new. A similar theory had been put forward by the Greek philosopher Democritus two thousand years earlier. Sir Isaac Newton had restated it as the "corpuscular theory" a hundred years before Dalton. Where Dalton excelled them was in formulating these theories in a way that explained known chemical processes, and enabled deductions to be made which could be submitted to the test of practical experiment. In short, he translated them from philosophical abstractions into a method for accurately forecasting and controlling chemical reactions and manu-

facturing processes. Dalton, the son of a weaver, was born in 1766. He went to work at the age of 12, but studied in his spare time to such effect that in 1793 the Manchester Academy appointed him tutor in mathematics and natural science. Six years later he set himself up as a private teacher, devoting his leisure to research and the fashioning of his Atomic Theory, which was first published in 1808 in his book "A New System of Chemical Philosophy". Dalton's theory, unaltered in its essentials, is still used to explain the laws of chemical combination. Dalton's work was the basis of the knowledge which enabled British scientists to contribute so much to the startling developments of atomic disintegration.



